



Fiscal
Year

2017

Annual Financial Report



UNIVERSITY SYSTEM OF GEORGIA



UNIVERSITY SYSTEM OF GEORGIA

UNIVERSITY SYSTEM OF GEORGIA
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Introductory Section



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ore than **325,000 students*** enroll in the 28 public higher education institutions of the University System of Georgia (USG), helping contribute to communities across the state.

The USG's economic impact, estimated at **\$16.8 billion annually**, grew by more than \$1 billion over the year before. Its institutions have generated almost **160,000 jobs across Georgia**, an increase of nearly 10,000 jobs over last year.

*Fall 2017



At the same time, our faculty compete nationally for sponsored research dollars that this past year alone came to more than **\$1 billion**. And the system continues to improve student access and increase students' college attainment, fulfilling its core mission:

Knowledge.



AUGUSTA
UNIVERSITY



BAINBRIDGE
STATE COLLEGE



Georgia State
University

G
GORDON



COLLEGE of
COASTAL
GEORGIA
UNIVERSITY SYSTEM OF GEORGIA



CLAYTON STATE
UNIVERSITY



COLUMBUS STATE
UNIVERSITY



DALTON
STATE

UNIVERSITY of
West Georgia



VALDOSTA
STATE
UNIVERSITY



FORT VALLEY
STATE UNIVERSITY
A State and Land-Grant Institution • University System of Georgia



GEORGIA
COLLEGE
GEORGIA'S PUBLIC LIBERAL ARTS UNIVERSITY



GEORGIA
SOUTHERN
UNIVERSITY



GEORGIA
SouthWestern
STATE UNIVERSITY



Affordability

The Board of Regents kept tuition increases at 2 percent for the current academic year, following a zero percent increase the year before.

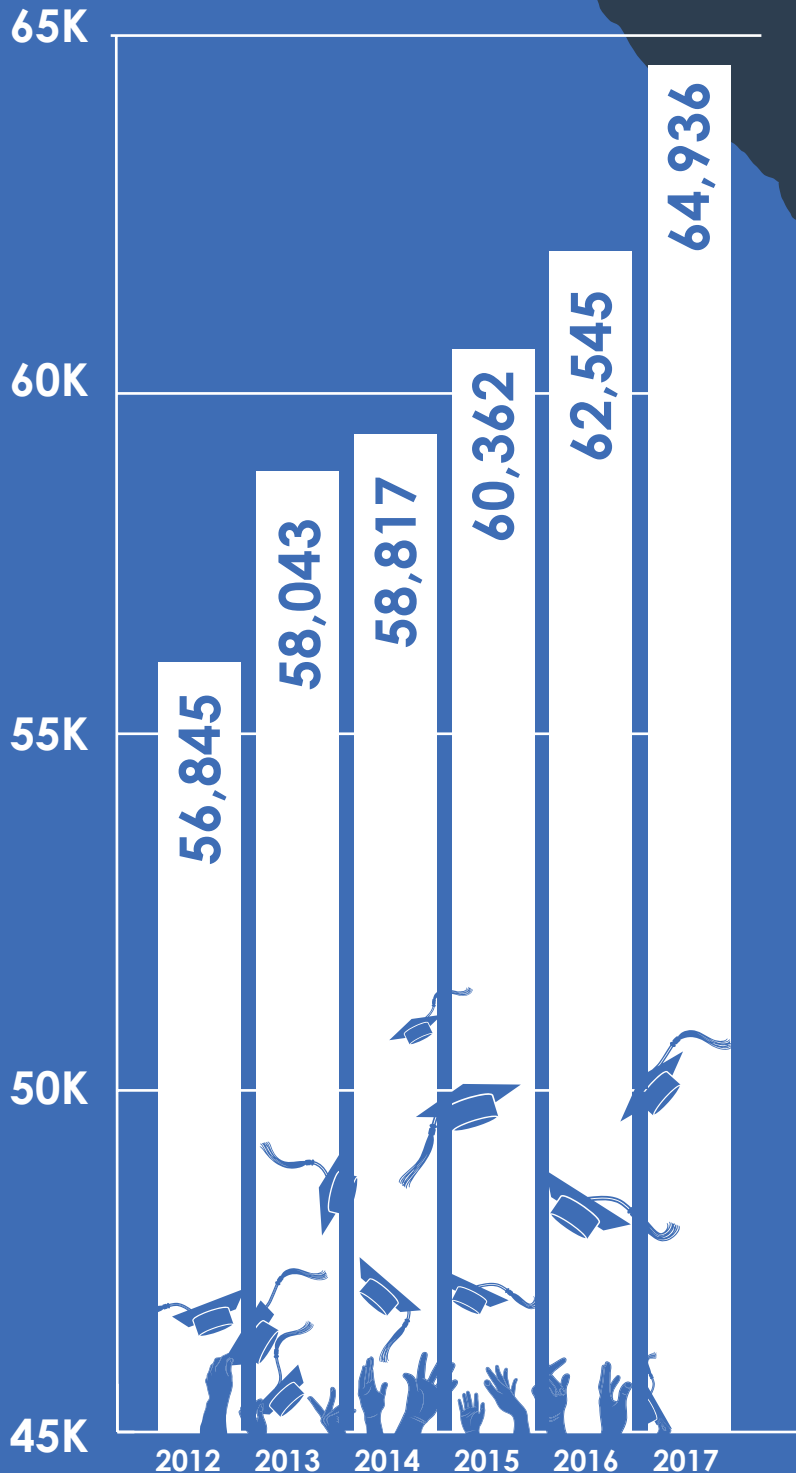
Tuition increases over the last five years have been limited to an average of 2.2 percent annually.

The number of mandatory student fee increases continues to decrease year-over-year, with a plan in place to additionally phase out mandatory meal plans for commuter students.

The system has also tried to maximize the potential of online resources, including the increased use of free, open-sourced electronic textbooks that save students nearly \$20 million annually.

Kennesaw State University's participation in the Foundations of Excellence in the First Year of College self-study led to the establishment of University College to provide greater visibility and significance to a variety of programs, academic support services, and projects geared toward KSU's growing undergraduate population.

Student Success & Completion



Since Gov. Nathan Deal launched the Complete College Georgia initiative in 2011, the system has seen an 18 percent increase in the number of students annually earning degrees. From 54,000 in 2011 to almost 65,000 in 2017, the numbers have gone up for six consecutive years.

The creation of programs such as “degree roadmaps,” a 15-to-finish campaign for fuller course loads and early-alert systems for when students stray from their chosen path has also supported institutional efforts to reduce students’ time - and costs - toward graduation.

We are proud of our academic reputation: Georgia continues to be one of only three states with two institutions ranked among U.S. News & World Report’s Top 20 public institutions in the nation.

Georgia is one of only three states with two institutions in the Top 10 of Kiplinger’s Best College Values for public colleges. The USG also reached a milestone in 2017: All USG institutions now have dedicated space on campus to better serve students who are military veterans. The work of our campuses has been recognized by Military Times’ “best for vets” list, with Georgia ranking as the only state with two public institutions on the Top 10 list.



Efficiency

Ongoing campus consolidations kept the system on-track toward improving services and opportunities especially in both South Georgia and Southeast Georgia.

An estimated \$24 million in administrative costs have been saved as a result of consolidations systemwide, allowing the USG to reinvest that money into the classroom.

Further, in 2018, the system expects to support 26 institutions through consolidation to better serve the needs of surrounding communities by strategically aligning degree offerings with institutional strengths and regional needs.

Studying at East Georgia State College can take many different paths. The main campus is in Swainsboro with extension campuses in Statesboro and Augusta. Small classes and flexible course offerings provide day, evening, weekend, and online options.

College 2025

A

new, systemwide initiative, College 2025, will help produce more college graduates from Georgia's public colleges and universities.

The effort's initial recommendations, expected in 2018, will build on the strengths of the system and its institutions by providing an academic roadmap to a 21st-century model for public higher education.

One of its biggest goals:

**Better position our
degree programs
to align with
workforce needs.**



Students First

The first of its kind for USG, the ongoing Comprehensive Administrative Review kicked off in 2017. It brings to fore a systemwide focus on improving administration by creating new efficiencies and streamlining processes to best serve the needs of all students.

From the technology in every classroom to the tutors who give students that extra boost of confidence, the academic success of all students is at the core of everything done at Georgia Gwinnett College.

Board of Regents

C. Dean Alford, P. E.
Allied Energy Services

W. Paul Bowers
Georgia Power

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(Rusty) Griffin Jr.
Griffin LLC

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Hopkins Jr., MD (Chair)
OrthoGeorgia

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(Vice Chair)
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**Georgia Crown
Distributing Company Inc.**

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**Taulbee, Rushing, Snipes,
Marsh & Hodgins LLC**

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**Stiles Apartments and
A.B. Stiles Enterprises**

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**University
System of
Georgia**

Dr. Steve Wrigley
(Chancellor)
**University System
of Georgia**

Shelley C. Nickel
(Treasurer)
**University System
of Georgia**



UNIVERSITY SYSTEM OF GEORGIA



BOARD OF REGENTS OF
THE UNIVERSITY SYSTEM OF GEORGIA

SHELLEY C. NICKEL
EXECUTIVE VICE CHANCELLOR FOR STRATEGY & FISCAL AFFAIRS
270 WASHINGTON STREET, S.W.
ATLANTA, GEORGIA 30334

404-962-3241
SHELLEY.NICKEL@USG.EDU

December 21, 2017

Chancellor Steve Wrigley
Board of Regents
University System of Georgia

Dear Chancellor Wrigley:

We are pleased to present to you the Annual Financial Report of the University System of Georgia for the year ended June 30, 2017. The report provides financial information about the University System of Georgia's operations during the year and describes its financial position at the end of the fiscal year.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose, the objective of which is to provide reasonable assurance that the financial statements are free of material misstatements. Further, the officers of the various institutions of the University System of Georgia and its affiliated organizations have assured us that every effort has been made to reflect accurately the information considered important to all concerned parties.

State law, Federal guidelines, bond covenants and the by-laws of the Board of Regents require that the accounting and financial records of the University System of Georgia be audited each year. The Georgia Department of Audits and Accounts has performed the audit for fiscal 2016 and has issued an unmodified opinion, the most favorable outcome of the audit process. The State Auditor's report is located at the beginning of the financial section.

Management's discussion and analysis (MD&A) immediately follows the auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction therewith.

Respectfully submitted,

Shelley C. Nickel
Executive Vice Chancellor for Strategy and Fiscal Affairs/Treasurer
Board of Regents of the University System of Georgia



UNIVERSITY SYSTEM OF GEORGIA

*Financial
Section*





UNIVERSITY SYSTEM OF GEORGIA



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156

Atlanta, Georgia 30334-8400

GREG S. GRIFFIN
STATE AUDITOR
(404) 656-2174

Independent Auditor's Report

The Honorable Nathan Deal, Governor of Georgia
Members of the General Assembly of the State of Georgia
Members of the Board of Regents of the University System of Georgia
and
Dr. Steve Wrigley, Chancellor
University System of Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of the University System of Georgia (USG), which is an organizational unit of the State of Georgia, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the USG's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Except for the Augusta University Research Institute Inc., AU Health Systems, Inc., AU Medical Associates & Subsidiaries, Georgia Tech Research Corporation, and the University of Georgia Research Foundation, Inc. the other auditors did not audit the discretely presented component units' financial statements in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the USG's preparation and fair

presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the USG's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the business-type activities, the aggregate discretely presented component units and the aggregate remaining fund information of the USG as of June 30, 2017, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1, the financial statements of the USG are intended to present the financial position, the changes in financial position, and where applicable, cash flows of only those portions of the business-type activities, aggregate discretely presented component units and the aggregate remaining funds of the State of Georgia that are attributable to the USG's transactions. They do not purport to, and do not, present fairly the financial position of the State of Georgia as of June 30, 2017, the changes in its financial position, or, where applicable, its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

As described in Note 1 to the financial statements, in 2017, the USG adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefits Plans Other than Pension Plans*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80, *Blending Requirements for Certain Component Units*, and GASB Statement No. 82, *Pension Issues*. Our opinions are not modified with respect to these matters.

As described in Note 1 to the financial statements, in 2017, the beginning net positions for the USG's business-type activities and aggregate discretely presented component units were restated due to changes in financial reporting entities and corrections of prior year errors. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Contributions to Defined Benefit Pension Plan, Schedule of Proportionate Share of Net Pension Liability, Schedule of Changes in Net Pension Liability, Schedule of Employers' and Nonemployers' Net Pension Liability, Schedule of Investment Returns, Notes to the Required Supplemental Information, Schedule of Funding Progress and Employer Contributions for Other Postemployment Benefits, Schedule of Changes in Net OPEB Liability, Schedule of Net OPEB Liability, Schedule of Investment Returns, and Notes to the Required Supplemental Information for Other Postemployment Benefits as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency

with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the USG's basic financial statements. The introductory section, and accompanying supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the USG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at a future date. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the USG's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the USG's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin".

Greg S. Griffin
State Auditor

December 21, 2017



UNIVERSITY SYSTEM OF GEORGIA

UNIVERSITY SYSTEM OF GEORGIA

Management's Discussion and Analysis

Introduction

The University System of Georgia (USG) has a long tradition of teaching, research and public service that provides broad, affordable access to higher education across the State of Georgia. The USG is one of only three states with two institutions ranked among the Top 20 public institutions in the nation by U. S. News & World Report. The USG is comprised of 28 higher education institutions including four research universities, four comprehensive universities, 10 state universities and 10 state colleges. In academic year 2016-2017, the University System's institutions enrolled over 321,000 students and conferred a total of 64,936 degrees including 39,911 bachelors', 11,462 masters and 1,762 doctorate degrees. The role of public higher education in Georgia is to create a more educated Georgia that attends to the current and developing needs of the state and its citizens and students. The USG is committed to fulfilling this role by ensuring more Georgians enter the workforce with college credentials, making college more affordable and accessible for Georgians and finding opportunities to be more efficient and control costs.

This discussion and analysis provides a summary of the financial position of the USG for the fiscal year ending June 30, 2017. It will provide the user with an overview of how the USG utilized its resources in pursuit of its primary goals of teaching, research and public service.

The Board of Regents and Chancellor Steve Wrigley are charged with the leadership of the 28 institutions of the USG. The USG continues to prosper, as is demonstrated by the following information:

State Resources

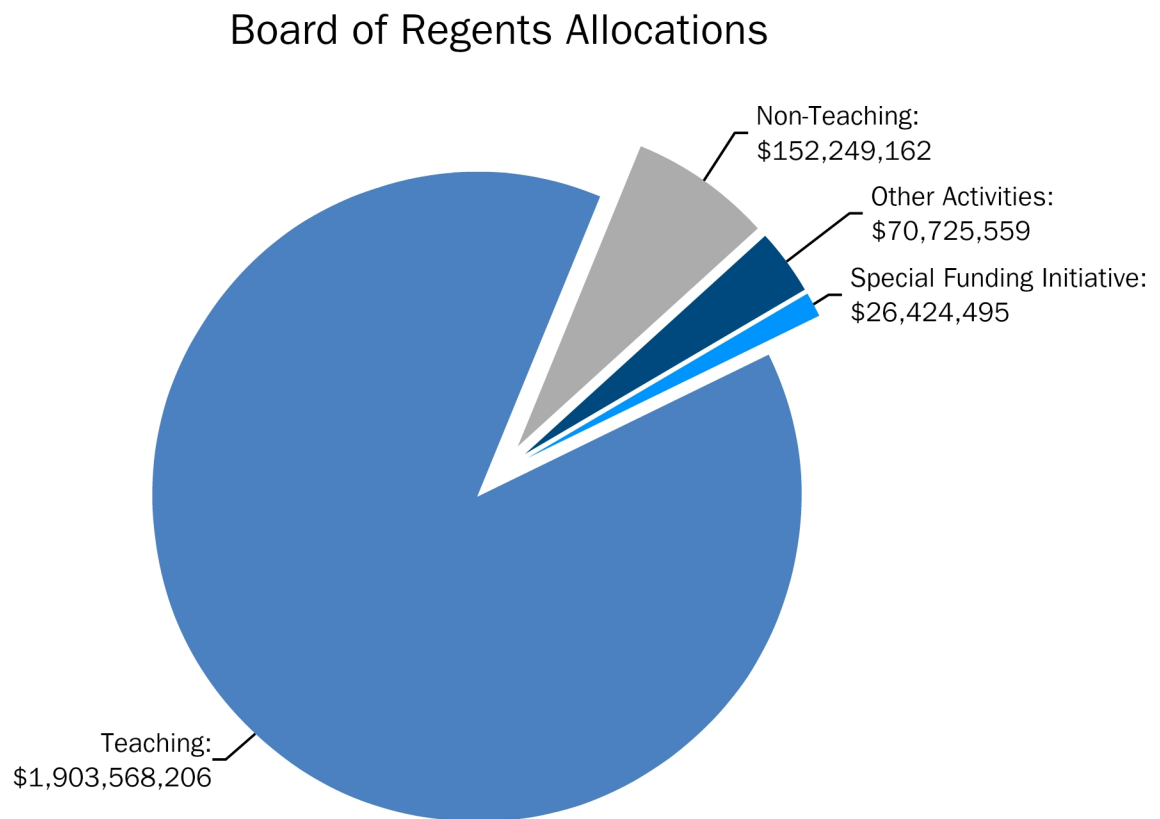
The General Appropriations Act of 2017 (House Bill 751), as amended by House Bill 43, appropriated a total of \$2.15 billion to the USG. The following table presents the state appropriations available to the USG from the General Appropriations Act of 2017, as amended:

STATE APPROPRIATIONS AVAILABLE - GENERAL APPROPRIATIONS ACT OF 2017		
House Bill 751		
General State Funds	\$	2,145,702,074
House Bill 43		
General State Funds		7,265,348
Total State Appropriations Per Appropriations Act - University System of Georgia	\$	2,152,967,422

The following table presents the Fiscal Year 2017 allocations by the Board of Regents to the USG institutions:

ALLOCATIONS BY THE BOARD OF REGENTS		
Education and General		
Teaching	\$	1,903,568,206
Non-Teaching		152,249,162
Other Activities		
University System Office	\$	12,063,606
Rental Payments - GA Military College		7,298,849
GA Public Telecommunications Commission		15,154,949
GA Public Libraries		36,208,155
Total Other Activities		70,725,559
Special Initiative Funding		26,424,495
Net State Appropriations Available to the University System of Georgia	\$	2,152,967,422

The following chart illustrates the Board of Regents allocations to Teaching, Non-Teaching, Other Activities and Special Funding Initiatives:



Overview of the Financial Statements and Financial Analysis

The USG is proud to present its consolidated financial statements for fiscal year 2017. These statements contain information from the 28 institutions of the USG, and the University System Office. These financial statements include: three consolidated financial statements (1) Statement of Net Position, (2) Statement of Revenues, Expenses and Changes in Net Position, and (3) Statement of Cash Flows; Fiduciary Fund statements for the Board of Regents Retiree Health Benefit Fund, the Early Retirement Plan - Augusta University and the USG Deferred Compensation Plan; and combining component unit financial statements for 26 discretely presented component units. These 26 organizations are legally separate tax-exempt component units of the State of Georgia. The emphasis of discussions about these statements will be on current year data of the USG.

The Notes to the Financial Statements follow the combining component unit financial statements, and contain essential information that serves both to support and clarify the information presented in the financial statements preceding them.

The Required Supplementary Information section contains additional information related to the Board of Regents Retiree Health Benefit Fund, the Early Retirement Plan - Augusta University, retirement plans for which the USG and its institutions participates and other post employment benefits as required by generally accepted accounting principles.

Finally, the Supplementary Information section includes selected information by USG institution, affiliated organizations and USG consolidated financial statements presented on a statutory/budget basis.

During fiscal year 2017, changes to the bylaws for Georgia Southern University Housing Foundation, Inc., UWG Real Estate Foundation, Inc., and VSU Auxiliary Services Real Estate Foundation were made. These foundations, previously reported as blended component units, no longer met requirements for inclusion in the financial reporting entity as business-type activities. However, the determination was made that it would be misleading to exclude these foundations from the financial reporting entity. Therefore, these foundations are reported as discretely presented component units.

The effect of these reporting changes was a decrease to business-type activity beginning net position in the amount of \$50.9 million. See Restatement Note for additional information.

This discussion and analysis of the USG's consolidated financial statements provides an overview of its financial activities for the fiscal year. Further information is provided by comparative data for fiscal year 2017 and 2016.

Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the USG as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. The purpose of the statement is to present to the reader a fiscal snapshot of the USG. The Statement of Net Position presents data concerning assets (property that we own and what we are owed by others), deferred outflows of resources (consumption of net position by the USG that is applicable to future reporting periods), liabilities (what we owe to others and have collected from others before we have provided the service), deferred inflows of resources (acquisition of net position by the USG that is applicable to future reporting periods), and net position. It is prepared under the accrual basis of accounting, which requires revenue and asset recognition when the service is provided, and expense and liability recognition when goods or services are received despite when cash is actually exchanged.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue operations of the USG. They are also able to determine how much the USG owes vendors and investors. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources (net position) is one indicator of the USG's financial health when considered in conjunction with other nonfinancial conditions, such as facilities and environment.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the USG's equity in property, plant and equipment owned. The next category is restricted, which is divided into two categories, non-expendable and expendable. Restricted, non-expendable net position consists solely of the USG's permanent endowment funds. *The corpus of non-expendable, restricted resources* is available only for investment purposes. Restricted, expendable resources are available for expenditure, however, expenditure of these resources is limited to time or purpose restrictions placed on the assets by the donor and/or external third parties. The final category is unrestricted resources, which are available to the USG for any lawful purpose.

The USG's financial position at June 30, 2017 is very strong, with total assets of \$12,616 million, deferred outflows of \$889 million, total liabilities of \$9,683 million, deferred inflows of \$730 million and net position of \$3,093 million.

Assets and Deferred Outflows

Total assets and deferred outflows of the USG in fiscal 2017 were approximately \$928 million more than those reported for fiscal 2016. Although most asset and deferred outflow categories had marginal increases during the year, the areas with significant growth were in capital assets and deferred loss on defined benefit pension plan. The \$248 million increase in capital assets was primarily related to major building additions as discussed in the capital asset section. The increase in deferred loss on defined benefit pension plan was \$539 million and is based on actuarial estimates.

Liabilities and Deferred Inflows

Total liabilities and deferred inflows for fiscal 2017 were approximately \$942 million more than those reported for fiscal 2016. The majority of the change related primarily to an increase in net OPEB liability of \$260 million, an increase in net pension liability of \$815 million and a decrease in deferred gain on defined benefit pension plan of \$185 million.

Net Position

The combination of the increase in total assets and deferred outflows of \$928 million and the increase in total liabilities and deferred inflows of \$942 million yielded a net decrease in total net position of \$14 million or .43%.

The following table summarizes the USG's assets, deferred outflows, liabilities, deferred inflows and net position as of June 30, 2017 and June 30, 2016.

CONDENSED STATEMENT OF NET POSITION	June 30, 2017	June 30, 2016	% Change
ASSETS			
Current Assets	\$ 2,172,184,004	\$ 2,182,073,507	(0.45)%
Capital Assets, Net	9,962,908,062	9,714,556,337	2.56 %
Other Assets	480,893,886	331,144,746	45.22 %
TOTAL ASSETS	12,615,985,952	12,227,774,590	3.17 %
DEFERRED OUTFLOWS	889,122,408	349,131,299	154.67 %
LIABILITIES			
Current Liabilities	882,875,681	858,090,200	2.89 %
Non-Current Liabilities	8,800,064,037	7,841,446,870	12.23 %
TOTAL LIABILITIES	9,682,939,718	8,699,537,070	11.30 %
DEFERRED INFLOWS	729,574,530	771,299,183	(5.41)%
NET POSITION			
Net Investment in Capital Assets	6,627,744,225	6,428,995,230	3.09 %
Restricted, Non-Expendable	193,258,875	181,152,225	6.68 %
Restricted, Expendable	249,285,321	258,325,439	(3.50)%
Unrestricted (Deficit)	(3,977,694,309)	(3,762,403,258)	(5.72)%
TOTAL NET POSITION	\$ 3,092,594,112	\$ 3,106,069,636	(0.43)%

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues received and expenses incurred during the year. Activities are reported as either operating or non-operating. Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues received by the USG, both operating and non-operating, and the expenses paid by the USG, operating and non-operating, and any other revenues, expenses, gains or losses received or spent by the USG.

Generally, operating revenues are received for providing goods and services to the various customers and constituencies of the USG. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the USG. Non-operating revenues are revenues received for which goods and services are not provided. For example, state appropriations are non-operating because they are provided by the legislature to the USG without the legislature directly receiving commensurate goods or services for those revenues. State capital grants and gifts and other capital grants and gifts are considered neither operating nor non-operating revenues and are reported after "Income (loss) before other revenues, expenses, gains or losses".

Some highlights of the information presented on the Statement of Revenues, Expenses and Changes in Net Position are as follows:

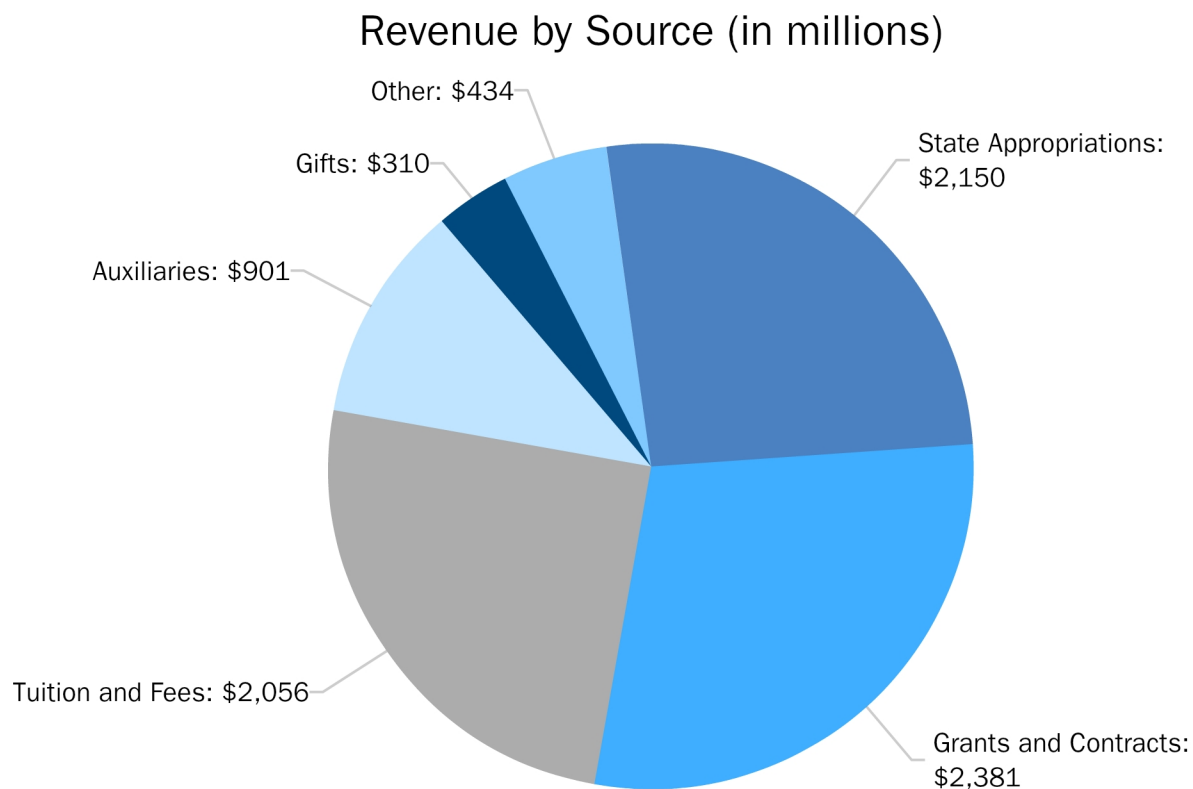
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	June 30, 2017	June 30, 2016	% Change
Operating Revenue	\$ 5,100,949,696	\$ 4,942,578,920	3.20 %
Operating Expense	8,012,168,406	7,563,231,051	5.94 %
Operating Income/Loss	(2,911,218,710)	(2,620,652,131)	11.09 %
Non-Operating Revenue and Expense	2,715,233,106	2,573,877,693	5.49 %
Income (Loss) before Other Revenues, Expenses, Gains, Losses and Special Items	(195,985,604)	(46,774,438)	319.00 %
Other Revenues, Expenses, Gains, Losses and Special Items	253,795,618	216,219,773	17.38 %
Change in Net Position	57,810,014	169,445,335	(65.88)%
Net Position at beginning of year, restated	3,034,784,098	2,936,624,301	3.34 %
Net Position at End of Year	\$ 3,092,594,112	\$ 3,106,069,636	(0.43)%

The Statement of Revenues, Expenses and Changes in Net Position reflect a positive year, which is represented by an increase in net position at the end of the year. Some highlights of the information presented on this statement are as follows:

Revenues

In fiscal year 2017, state appropriations increased \$127 million (6.28%), grants and contracts revenue increased \$114 million in fiscal 2017, net tuition and fee revenues increased \$52 million (2.60%), which is a direct result of enrollment increases across the USG as the Board of Regents voted in April 2016 for a 0% tuition increase for academic calendar 2016-2017.

Revenue by source (state appropriations, grants and contracts, tuition and fees, auxiliaries, gifts and other sources) is depicted by the following chart:



For the years ended June 30, 2017 and June 30, 2016, revenues by source were as follows:

REVENUES BY SOURCE	June 30, 2017	June 30, 2016	% Change
Tuition and Fees	\$2,056,150,625	\$2,004,007,512	2.60%
Federal Appropriations	22,307,653	23,256,605	-4.08%
Grants and Contracts	1,727,419,012	1,598,859,536	8.04%
Sales and Services	211,924,571	201,525,559	5.16%
Auxiliary Enterprises	901,424,177	879,352,298	2.51%
Other Operating Revenues	181,723,658	235,577,410	-22.86%
Total Operating Revenues	5,100,949,696	4,942,578,920	3.20%
State Appropriations	2,149,978,108	2,022,898,745	6.28%
Grants and Contracts	631,236,442	644,168,021	-2.01%
Gifts	58,987,556	63,864,580	-7.64%
Investment Income	44,016,277	22,093,201	99.23%
Other Nonoperating Revenues	(7,012,157)	(7,749,845)	9.52%
Total Nonoperating Revenues	2,877,206,226	2,745,274,702	4.81%
State Capital Gifts and Grants	210,403,556	161,760,376	30.07%
Other Capital Gifts and Grants	40,339,044	54,057,507	-25.38%
Total Capital Gifts and Grants	250,742,600	215,817,883	16.18%
Additions to Permanent and Term Endowments	833,158	136,762	
Special Items	2,219,860	(466,637)	
Extraordinary Items	—	731,765	
Total Revenues	\$8,231,951,540	\$7,904,073,395	4.15%

Expenses

For the years ended June 30, 2017 and June 30, 2016, expenses by functional classification were as follows:

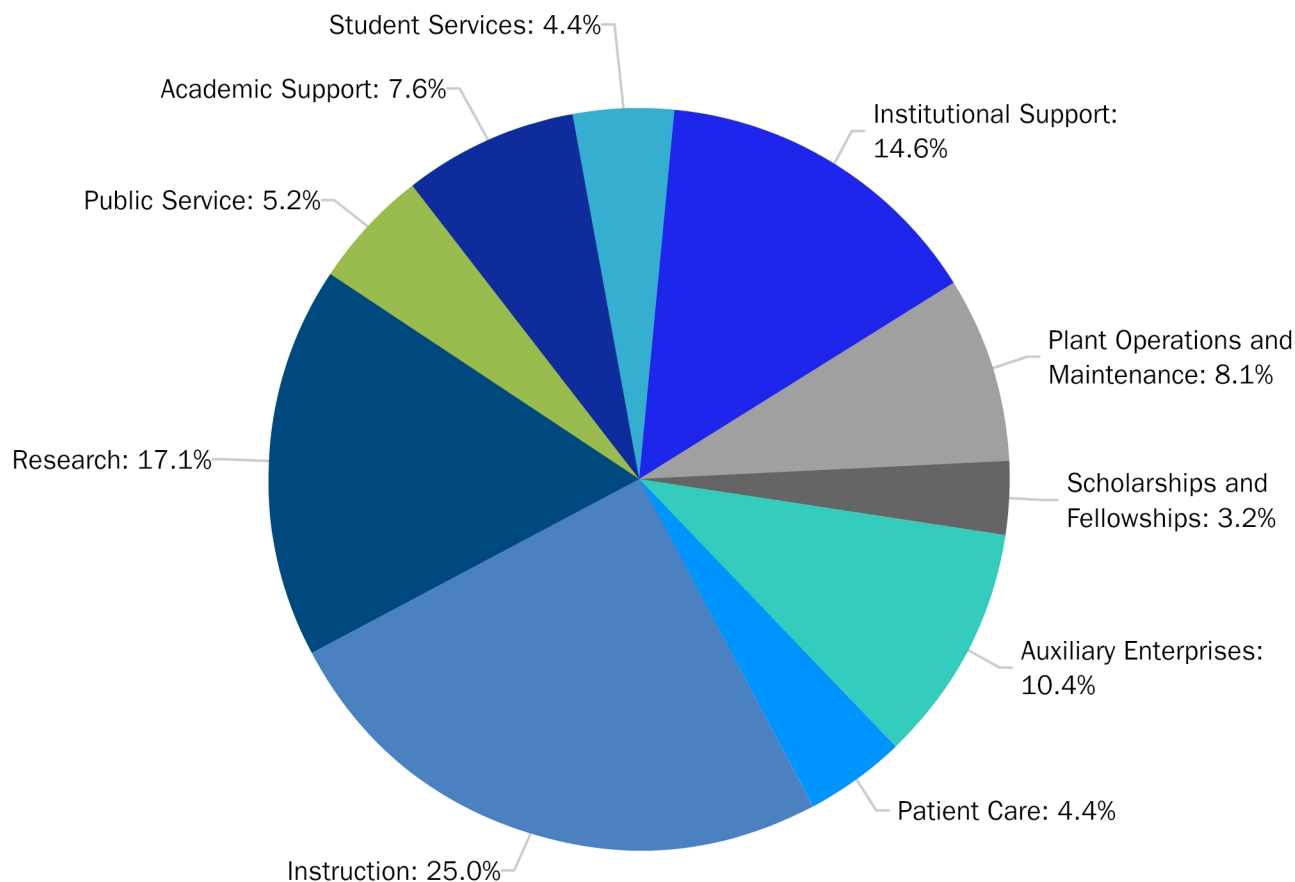
EXPENSES BY FUNCTIONAL CLASSIFICATION	June 30, 2017	June 30, 2016	% Change
Instruction	\$1,996,478,175	\$1,855,174,302	7.62%
Research	1,371,184,188	1,237,468,372	10.81%
Public Service	419,784,258	384,461,774	9.19%
Academic Support	608,363,683	578,513,449	5.16%
Student Services	354,756,483	345,867,103	2.57%
Institutional Support	1,173,262,400	1,093,516,279	7.29%
Plant Operations and Maintenance	651,415,644	675,542,298	-3.57%
Scholarships and Fellowships	254,895,457	273,083,776	-6.66%
Auxiliary Enterprises	829,020,400	786,195,518	5.45%
Patient Care	353,007,718	333,408,180	5.88%
Total Operating Expenses	8,012,168,406	7,563,231,051	5.94%
Interest Expense	161,973,120	171,397,009	-5.50%
Total Expenses	\$8,174,141,526	\$7,734,628,060	5.68%

Total operating expenses were \$8 billion in fiscal year 2017, an increase of \$449 million (5.94%) when compared with fiscal year 2016. These increases are primarily attributable to the following functional classifications: Instruction (\$141 million); Research (\$134 million); Auxiliaries (\$43 million); Academic Support (\$30 million); Student Services (\$9 million); and Institutional Support (\$80 million). These amounts were partially offset by a decrease in Scholarships and Fellowships (\$-18 million) and Plant Operations (\$-24 million).

As noted above, operating expenses increased \$449 million (5.94%) in fiscal year 2017 when compared with fiscal year 2016. The increases were substantially attributable to salaries and benefits, including other personal services. The increases in salaries and benefits are attributable to increases in pension expenses, OPEB expenses, faculty and staff increases, and merit increases.

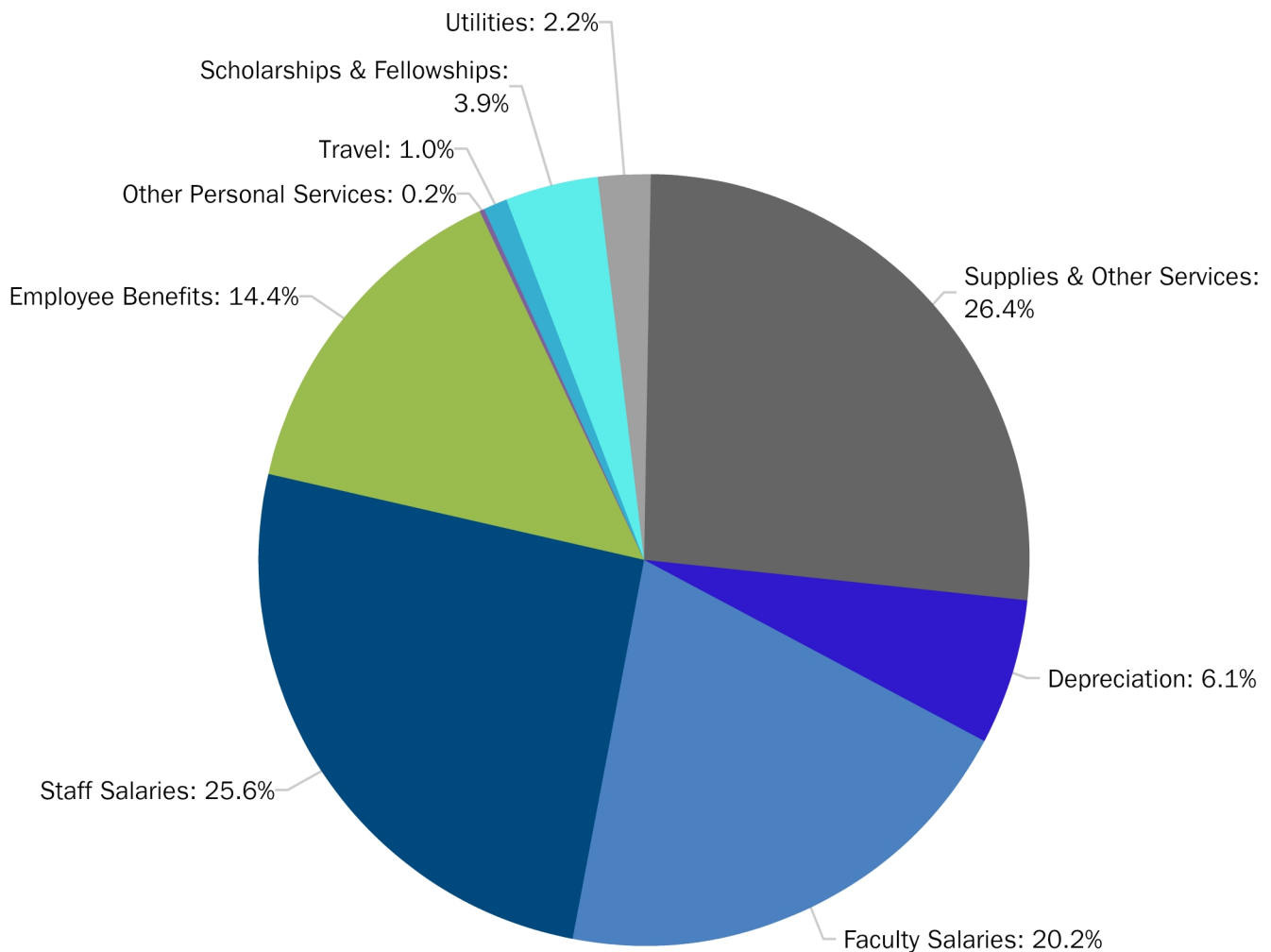
The following chart depicts the fiscal year 2017 operating expenses by functional classification.

Operating Expenses by Functional Classification



The following chart depicts the fiscal 2017 operating expenses by natural classification.

Operating Expenses by Natural Classification



Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activity of the USG during the year and is divided into five sections. The first section is concerned with operating cash flows and reflects the net cash used by the various operating activities of the USG. The second section is related to cash flows from non-capital financing activities, which reflects the cash received and spent for non-capital financing purposes. The third section summarizes cash flows from capital and related financing activities and contains cash used for the acquisition and construction of capital and related items. The fourth section is comprised of the cash flows from investing activities and includes the purchases, proceeds and interest received from investing activities. The fifth, and final, section reconciles the net cash used to the operating income or loss as reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Cash Flows for the Years Ended June 30, 2017 and 2016, Condensed

CONDENSED STATEMENT OF NET CASH FLOWS	June 30, 2017	June 30, 2016
Cash & Cash Equivalents Provided (Used) by:		
Operating Activities	\$ (2,101,268,541)	\$ (2,055,596,835)
Non-Capital Financing Activities	2,839,760,642	2,624,357,105
Capital and Related Financing Activities	(595,935,831)	(560,368,512)
Investing Activities	18,969,608	391,699,933
NET CHANGE IN CASH & CASH EQUIVALENTS	\$ 161,525,878	\$ 400,091,691
Cash & Cash Equivalents, beginning of year (restated)	1,360,411,923	1,015,798,878
CASH & CASH EQUIVALENTS, end of year	\$ 1,521,937,801	\$ 1,415,890,569

Capital Assets

Capital assets, net of accumulated depreciation, at June 30, 2017 and June 30, 2016 were as follows:

CAPITAL ASSETS, net of accumulated depreciation	June 30, 2017	June 30, 2016	% Change
Land	\$ 405,224,031	\$ 399,862,879	1.34%
Capitalized Collections	51,448,435	49,224,934	4.52%
Construction Work-in-Progress	222,618,967	240,024,172	-7.25%
Software Development-in-Progress	9,521,221	—	100.00%
Infrastructure	231,652,649	223,220,648	3.78%
Building and Building Improvements	8,093,169,192	7,885,112,643	2.64%
Facilities and Other Improvements	276,854,639	267,144,784	3.63%
Equipment	450,656,786	448,462,076	0.49%
Library Collections	174,917,795	175,100,747	-0.10%
Capitalized Collections	5,270,189	5,400,177	-2.41%
Software	41,574,158	21,003,277	97.94%
Capital Assets, net of accumulated depreciation	\$9,962,908,062	\$9,714,556,337	2.56%

As shown above, capital assets, net of accumulated depreciation increased \$248 million, or 2.56% during fiscal year 2017 when compared with fiscal year 2016. Major building additions constituted \$541 million of the capital asset additions. Major building additions included \$155 million in dormitories associated with the P3 Service Concession arrangement, Business Learning Center and Science Learning Center at the University of Georgia, Military and Veterans Academic and Training Center at Middle Georgia State University, an Academic Building at Georgia Gwinnett College and a Military Science Building at Georgia Southern University.

For additional information concerning Capital Assets, see Notes 1, 6, 8, and 13 in the Notes to the Financial Statements.

Long-Term Liabilities

The University System of Georgia had Long-Term Liabilities of \$9 billion of which \$240 million was reflected as a current liability at June 30, 2017. Included in Long-Term Liabilities are lease purchase obligations of \$3 billion, net pension liability of \$3.1 billion and OPEB obligation of \$2.6 billion.

The net pension liability and OPEB obligation are actuarially determined estimates of future post-employment costs. See Note 14 in the Notes to Financial Statements for additional information related to net pension liability. See Note 17 in the Notes to Financial Statements for additional information related to the OPEB obligation.

In fiscal year 2018, the USG will adopt GASB Statement No. 75, *Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions*. With the adoption of this Statement, the USG will no longer report the OPEB obligation. Instead, the USG will report a net OPEB liability, which is approximately \$4.2 billion related to the Board of Regents Retiree Health Benefit Plan as of June 30, 2017.

Lease purchase obligations decrease \$63 million during the current fiscal year. This net decrease is mostly related to \$83 million in principal payments offset by \$18 million in new capital leases resulting in new fixed assets for the USG. The remaining lease activity during the current fiscal year was predominantly related to refinancing activities.

For additional information concerning Long-Term Liabilities, see Note 8 in the Notes to the Financial Statements.

Notes to the Financial Statements

The Notes to the Financial Statements are an integral part of the basic financial statements and communicate information essential for fair presentation. For example, the notes convey information concerning significant accounting policies used to prepare the financial statements, detailed information on cash and investments, receivables, capital leases, compensated absences, retirement and other post-employment benefits, capital assets and a report of operating expenses by function.

Retiree Health Benefit Fund

The University System Office is the custodian of the Board of Regents Retiree Health Benefit Fund. This fund was authorized pursuant to the Official Code of Georgia Annotated Section 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of post-employment health insurance benefits.

As noted in the Long-Term Liabilities section above, the USG carries an OPEB Obligation liability of \$2.6 billion as of June 30, 2017. The Board of Regents continues to evaluate options to reduce this growing liability.

For additional information concerning the Retiree Health Benefit Fund, please refer to Note 15 and 17 in the Notes to Financial Statements.

Early Retirement Pension Plan Fund - Augusta University

Augusta University Early Retirement Pension Plan (ERP) is a single-employer defined benefit pension plan administered by Bryan, Pendleton, Swats and McAlister. The plan was devised by Augusta University as a means of manpower reduction and was approved by the Board of Regents of the USG of Georgia effective January 1, 2000.

For additional information concerning the Early Retirement Pension Fund, please refer to Note 14 in the Notes to Financial Statements.

Affiliated Organizations

System-wide, there were 26 affiliated organizations that met one or more criteria for inclusion as component units of the State of Georgia in compliance with GASB Statement No. 14, as amended. These 26 affiliated organizations are included as component units in the University System of Georgia consolidated annual financial statements as they have been determined essential to the fair presentation to these departmental statements. All system-wide affiliated organizations including the 26 previously mentioned are included in the supplementary information section.

Economic Outlook

The USG is committed to continue to work hard to ensure that our institutions remain a strong value for Georgia's residents. An enhanced focus on ensuring that students can afford and earn degrees has resulted in an increased emphasis on restructuring public higher education in Georgia to work more efficiently and effectively. The USG recognizes that increases in higher education spending, particularly in administrative spending, is a national concern. The USG strives to address the challenges of how to provide quality instruction in the most cost-effective manner. As part of the USG's continued commitment, in April 2017, Chancellor Wrigley announced the plans for a comprehensive administrative review across the USG. This system-wide initiative will be focused on creating administrative efficiencies, streamlining processes and finding ways to more effectively utilize USG resources.

Predictions for Georgia's workforce needs for 2025 are significant. Global economic indicators reveal that in the near future, two-thirds of the workforce will require some level post-secondary credentials to compete for jobs. Preparing Georgia for the future requires an increase in the number of Georgians who have degrees. In order to continue to be competitive globally, Georgia needs to increase the number of Georgians with degrees from the 2016 census data level of 47.9% to a targeted 60 percent of the population by 2025. Over the past five years, Georgia has seen positive movement in residents with post-secondary credentials in part based on several initiatives of the USG ranging from

new teaching methods, better advising and giving credit for experiential learning, but there is still work to be done. In October 2017, Chancellor Wrigley announced the launching of "College 2025". "College 2025" will focus on developing a five to 10 year academic road map of how college will look in 2025. In 2011, the USG graduated 54,855 students. The USG has been working to increase that number year-over year, and in 2016-17, 64,936 students graduated from USG institutions reflecting a 18% increase over the past six years. The USG still has a long way to reach its goal of graduating 80,000 students a year, but is confident about the progress made and believes it is on track to achieving the goal.

The consolidation of fourteen institutions into seven has been successfully completed and the consolidations of Georgia Southern University and Armstrong State University, and Abraham Baldwin Agricultural College and Bainbridge State College are in the final stages. Consolidation provides opportunities for funds to be shifted from administration to the classroom advancing the USG's commitment to operational efficiency and good stewards of its resources.

As a labor-intensive organization, the USG faces competitive pressures related to attracting and retaining quality faculty and staff. As is the case nationally, the USG also faces the rising costs of health-care benefits, but will continue to take proactive measures to mitigate these rising costs.

A key component of the USG's success and future is the strong relationship with Governor Nathan Deal and the Georgia General Assembly. Due to their support and the excellent leadership of the Board of Regents and Chancellor Wrigley, the USG will continue to provide access to an affordable and quality education for the citizens of the State of Georgia.



UNIVERSITY SYSTEM OF GEORGIA

Financial Statements





UNIVERSITY SYSTEM OF GEORGIA

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2017

	University System of Georgia	Component Units
ASSETS		
Current Assets		
Cash & Cash Equivalents	\$ 1,515,931,574	\$ 333,757,009
Short-term Investments	31,443,424	183,313,869
Accounts Receivable, net		
Federal Financial Assistance	83,511,949	5,254,618
Affiliated Organizations	11,968,910	3,515,078
Component Units	189,069,754	
Primary Government		9,026,217
Other	255,965,687	379,329,818
Notes Receivable, net		600,000
Investment in Capital Leases - Primary Government		76,503,156
Investment in Capital Leases - Other		327,503
Inventories	23,652,977	19,245,590
Prepaid Items	58,399,894	37,774,863
Other Assets	2,239,835	21,384,637
Total Current Assets	2,172,184,004	1,070,032,358
Non-Current Assets		
Cash & Cash Equivalents		201,293,696
Accounts Receivable, net		
Affiliated Organizations	3,600,830	6,771,775
Component Units	3,096,400	
Pledges & Contributions		171,521,812
Other		235,809
Investments	240,151,830	1,651,490,772
Notes Receivable, net	41,344,081	1,305,604
Investment in Capital Leases - Primary Government		2,261,788,537
Investment in Capital Leases - Other		4,466,472
Other Assets		59,900,643
Non-current Cash (Externally Restricted)	6,006,227	
Short-term Investments (Externally Restricted)	20,876	
Investments (Externally Restricted)	186,673,642	1,757,843,045
Capital Assets, net	9,962,908,062	1,112,342,848
Total Non-Current Assets	10,443,801,948	7,228,961,013
TOTAL ASSETS	12,615,985,952	8,298,993,371
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Debt Refunding	28,001,791	55,492,590
Deferred Loss on Defined Benefit Pension Plans	861,120,617	
Accumulated Decrease in Fair Value of Hedging Instruments		3,961,146
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 889,122,408	\$ 59,453,736

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2017

	University System of Georgia	Component Units
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 159,075,711	\$ 123,892,738
Salaries Payable	26,687,684	12,233,048
Benefits Payable	67,571,355	
Contracts Payable	28,459,019	1,096,841
Retainage Payable	8,608,245	
Due to Affiliated Organizations	1,745,503	3,060,447
Due to Component Units	9,026,217	
Due to Primary Government		189,069,754
Advances (Including Tuition & Fees)	226,262,793	127,480,622
Deposits	16,165,362	38,211,074
Deposits Held for Other Organizations	96,405,670	35,508,468
Other Liabilities	3,082,954	16,304,908
Notes & Loans Payable	1,408,512	40,967,360
Lease Purchase Obligations - External	21,607,631	8,475,621
Lease Purchase Obligations - Component Units	72,312,993	
Revenue Bonds & Notes Payable		84,440,825
Liabilities Under Split Interest Agreements		2,488,373
Interest Rate Swap		5,619,975
Pollution Remediation	618,915	601,341
Claims & Judgments	903,825	1,575,564
Compensated Absences	142,933,292	19,192,107
Total Current Liabilities	882,875,681	710,219,066
Non-Current Liabilities		
Due to Affiliated Organizations		7,002,000
Due to Primary Government		3,096,400
Due to Other Funds		621,301
Advances (Including Tuition & Fees)	2,295	5,822,019
Other Liabilities		29,875,969
Notes & Loans Payable	8,095,784	162,848,614
Lease Purchase Obligations - External	683,809,244	83,725,494
Lease Purchase Obligations - Component Units	2,265,189,190	
Revenue Bonds & Notes Payable		3,013,929,856
Liabilities Under Split Interest Agreements		26,631,757
Interest Rate Swap		52,237,373
Pollution Remediation	609,515	
Claims & Judgments	1,786,568	650,740
Compensated Absences	77,302,749	
Other Post Employment Benefits Obligation	2,616,065,894	11,531,792
Net Pension Liability	3,147,202,798	
Total Non-Current Liabilities	8,800,064,037	3,397,973,315
TOTAL LIABILITIES	\$ 9,682,939,718	\$ 4,108,192,381

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2017

	University System of Georgia	Component Units
DEFERRED INFLOWS OF RESOURCES		
Deferred Gain on Debt Refunding	\$ 34,141,243	
Deferred Funds Received in Advance of Timing Requirements	37,507,642	\$ 17,264,201
Deferred Service Concession Arrangements	599,866,404	
Deferred Gain on Defined Benefit Pension Plans	58,059,241	
Accumulated Increase in Fair Value of Hedging Instruments		2,130,394
TOTAL DEFERRED INFLOWS OF RESOURCES	729,574,530	19,394,595
NET POSITION		
Net Investment in Capital Assets	6,627,744,225	335,166,021
Restricted for:		
Nonexpendable	193,258,875	1,602,522,928
Expendable	249,285,321	1,538,449,523
Unrestricted (Deficit)	(3,977,694,309)	754,721,659
TOTAL NET POSITION	\$ 3,092,594,112	\$ 4,230,860,131

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2017

	University System of Georgia	Component Units
OPERATING REVENUES		
Student Tuition & Fees (net)	\$ 2,056,150,625	
Federal Appropriations	22,307,653	
Grants & Contracts		
Federal	855,519,824	\$ 710,616,663
State	279,958,143	8,643,005
Other	591,941,045	302,863,201
Sales & Services	211,924,571	105,813,385
Rents & Royalties	5,708,600	239,092,654
Auxiliary Enterprises		
Residence Halls	331,656,170	
Bookstore	65,130,498	
Food Services	199,607,476	1,941,197
Parking/Transportation	88,992,424	
Health Services	58,561,977	753,080,486
Intercollegiate Athletics	129,585,687	130,318,885
Other Organizations	27,889,945	
Gifts & Contributions		155,604,139
Endowment Income		11,241,919
Other Operating Revenues	176,015,058	25,132,709
Total Operating Revenues	5,100,949,696	2,444,348,243
OPERATING EXPENSES		
Faculty Salaries	1,618,532,967	
Staff Salaries	2,057,604,725	306,269,726
Employee Benefits	1,150,996,092	82,473,917
Other Personal Services	15,369,139	169,553,187
Travel	78,597,124	25,249,031
Scholarships & Fellowships	313,372,296	30,562,111
Utilities	176,597,224	7,987,334
Supplies & Other Services	2,115,282,325	1,730,128,232
Depreciation	485,816,514	66,882,522
Total Operating Expenses	8,012,168,406	2,419,106,060
Operating Income (Loss)	\$ (2,911,218,710)	\$ 25,242,183

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2017

	University System of Georgia	Component Units
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	\$ 2,149,978,108	\$ 31,409,501
Grants & Contracts		
Federal	538,164,379	2,967,388
State	8,818,243	3,178,581
Other	84,253,820	741
Gifts	58,987,556	21,919,065
Investment Income	44,016,277	369,843,437
Interest Expense	(161,973,120)	(130,450,985)
Other Nonoperating Revenues (Expenses)	(7,012,157)	(33,803,859)
Net Nonoperating Revenues	2,715,233,106	265,063,869
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(195,985,604)	290,306,052
Capital Grants & Gifts		
Federal	1,396,674	88,747
State	210,403,556	1,000,000
Other	38,942,370	3,955,837
Additions to Permanent & Term Endowments	833,158	112,757,790
Special Item	2,219,860	(277,090)
Extraordinary Item		(3,324,141)
Total Other Revenues, Expenses, Gains or Losses	253,795,618	114,201,143
Change in Net Position	57,810,014	404,507,195
Net Position, Beginning of Year, Restated	3,034,784,098	3,826,352,936
Net Position, End of Year	\$ 3,092,594,112	\$ 4,230,860,131

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA

STATEMENT OF CASH FLOWS

FOR FISCAL YEAR ENDED JUNE 30, 2017

	University System of Georgia
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments from Customers	\$ 3,324,689,760
Federal Appropriations	20,041,356
Grants & Contracts (Exchange)	1,713,075,576
Payments to Suppliers	(3,165,821,053)
Payments to Employees	(3,692,773,887)
Payments for Scholarships and Fellowships	(313,372,296)
Loans Issued to Students	(9,959,556)
Collection of Loans from Students	10,546,440
Other Receipts	14,603,658
Other Payments	(2,298,539)
Net Cash Used by Operating Activities	(2,101,268,541)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	2,149,978,108
Agency Funds Transactions - Receipts	4,994,049,647
Agency Funds Transactions - Disbursements	(4,980,590,442)
Gifts and Grants Received for Other Than Capital Purposes	675,716,804
Transfer of Endowments to Affiliated Organization	(1,800,840)
Other Noncapital Financing Receipts	18,633,627
Other Noncapital Financing Payments	(16,226,262)
Net Cash Flows Provided by Non-capital Financing Activities	2,839,760,642
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Capital Gifts & Grants Received	85,446,337
Proceeds from Sale of Capital Assets	8,222,850
Purchases of Capital Assets	(442,371,662)
Principal Paid on Capital Debt & Leases	(84,532,553)
Interest Paid on Capital Debt & Leases	(162,700,803)
Net Cash Used by Capital & Related Financing Activities	(595,935,831)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales & Maturities of Investments	967,022,081
Investment Income	28,068,433
Purchase of Investments	(976,120,906)
Net Cash Provided by Investing Activities	18,969,608
Net Increase in Cash & Cash Equivalents	161,525,878
Cash & Cash Equivalents, Beginning of year (Restated)	1,360,411,923
Cash & Cash Equivalents - End of Year	\$ 1,521,937,801

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA

STATEMENT OF CASH FLOWS

FOR FISCAL YEAR ENDED JUNE 30, 2017

University System of Georgia

RECONCILIATION OF OPERATING LOSS TO

NET CASH USED BY OPERATING ACTIVITIES:

Operating Loss	\$ (2,911,218,710)
Adjustments to Reconcile Net Operating Loss to	
Net Cash Used by Operating Activities	
Depreciation	485,816,514
Operating Expenses Related to Noncash Gifts	946,149
Change in Assets & Liabilities:	
Receivables, net	(35,891,834)
Inventories	1,732,619
Prepaid Items	(8,798,716)
Notes Receivable, Net	585,003
Accounts Payable	(9,502,711)
Salaries Payable	4,351,337
Benefits Payable	827,607
Contracts Payable	(127,177)
Retainage Payable	(11,282)
Deposits	(1,546,336)
Advances (Including Tuition & Fees)	(3,572,463)
Other Liabilities	632,698
Funds Held for Others	(18,971)
Compensated Absences	10,217,864
Due to Affiliated Organizations	2,053,162
Pollution Remediation	7,011
Claims & Judgments	(1,951,543)
Net Pension Liability	815,472,595
Other Post-Employment Benefit Liability	260,198,123
Change in Deferred inflows/outflows of resources:	(711,469,480)
Net Cash Used by Operating Activities	\$ (2,101,268,541)

NON-CASH INVESTING, NON-CAPITAL FINANCING, & CAPITAL &

RELATED FINANCING TRANSACTIONS

Non-capital Financing Activities Change in Accounts Receivable, Net of Allowances	\$ 564,189
Recognition of Non-capital Financing Activities Change in Advances & Deferred Inflows	\$ 13,055,980
Non-Capital Gift Reducing Proceeds of Grants & Contracts	\$ (944,541)
Capital Financing Activities Change in Accounts Receivable, Net of Allowances	\$ (3,261,257)
Gift of Capital Assets	\$ 320,268,661
Loss on Disposal of Capital Assets	\$ (7,222,860)
Adjustments to Capital Asset Beginning Balance Ran Through Current Year Activity	\$ 2,012,336
Change in Capital Asset Related Payables	\$ (6,002,091)
Capital Assets Acquired by Incurring Capital Lease Obligations	\$ (18,252,784)
Gain/Loss on Capital Debt Refunded	\$ 11,671,856
Increase in Capital Debt due to Capitalized Interest	\$ (89,429)
Extinguishment of Capital Debt	\$ 8,635,267
Adjustments to Capital Debt Beginning Balance Ran Through Current Year Activity	\$ 127,565
Amortization of Deferred Gain/Loss of Capital Debt Refunded	\$ 345,609
Change in Accrual of Capital Financing Interest Payable	\$ 230,264
Gifts of Capital Assets Reducing Proceeds of Capital Gifts & Grants	\$ (320,268,661)
Unrealized Gain/Loss on Investments	\$ 15,947,844
Deferred Concession Arrangement Capital Gift	\$ 154,886,179
Recognition of Capital Financial Activities Advances & Deferred Inflows Reducing Proceeds of Capital Grants	\$ 3,155,541

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

	Early Retirement Plan - Augusta University	Deferred Compensation Fund	Retiree Health Benefit Fund	Total
ASSETS				
Cash & Cash Equivalents	\$ 6,241,462		\$ 8,260,565	\$ 14,502,027
Investments				
Bond Securities	12,190,357			12,190,357
Money Market Mutual Funds		\$ 339,142		339,142
Mutual Bond Funds		1,029,602		1,029,602
Equity Mutual Funds - Domestic	44,174,540	4,949,651		49,124,191
Equity Mutual Funds - International		414,329		414,329
Equity Securities - Domestic	27,801,706			27,801,706
Guaranteed Investment Contracts		446,342		446,342
Pooled Investment			7,101,556	7,101,556
Other Investments		414,753		414,753
Total Assets	90,408,065	7,593,819	15,362,121	113,364,005
LIABILITIES				
Accounts Payable			7,302	7,302
Benefits Payable			7,497,596	7,497,596
Total Liabilities	—	—	7,504,898	7,504,898
NET POSITION				
Held in Trust for:				
Other Employment Benefits		7,593,819		7,593,819
Pension Benefits	90,408,065			90,408,065
Other Postemployment Benefits			7,857,223	7,857,223
Total Net Position	\$ 90,408,065	\$ 7,593,819	\$ 7,857,223	\$ 105,859,107

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Early Retirement Plan - Augusta University	Deferred Compensation Fund	Retiree Health Benefit Fund	Total
ADDITIONS				
Contributions				
Employer	\$ 13,084,672	\$ 744,383	\$ 99,583,903	\$ 113,412,958
Plan member		266,666		266,666
Investment Income				
Dividends & Interest	1,607,191	192,673	81,140	1,881,004
Net Appreciation in Investments				
Reported at Fair Value	9,172,329	642,097	(2,219)	9,812,207
Less: Investment Expense	(161,162)		(5,960)	(167,122)
Total Additions	23,703,030	1,845,819	99,656,864	125,205,713
DEDUCTIONS				
Benefits	13,617,313		86,008,435	99,625,748
Premium Expense			3,644,871	3,644,871
Administrative expense			5,044,837	5,044,837
Total Deductions	13,617,313	—	94,698,143	108,315,456
Change in Net Position Held in Trust for				
Pension & Other Employee Benefits	10,085,717	1,845,819	4,958,721	16,890,257
Net Position, Beginning of Year	80,322,348	5,748,000	2,898,502	88,968,850
Net Position, End of Year	\$ 90,408,065	\$ 7,593,819	\$ 7,857,223	\$ 105,859,107

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	Augusta University Foundation, Inc.	Augusta University Research Institute, Inc.	AU Health System Inc	AU Medical Associates	Georgia Advanced Technology Ventures, Inc.	Georgia College & State University Foundation
ASSETS						
Current Assets						
Cash & Cash Equivalents	\$ 544,073	\$ 8,395,707	\$ 36,607,910	\$ 9,752,279	\$ 4,057,209	\$ 2,999,196
Short-term Investments	1,466,910		38,494,241	13,471,819		
Accounts Receivable, net						
Federal Financial Assistance		5,254,618				
Affiliated Organizations	211,941		505,048	2,061,886		3,652
Component Units						
Primary Government		18,196	4,150,056	472,380		
Other	244,713		126,458,519	11,281,308	395,880	281,062
Notes Receivable, net						
Investment in Capital Leases - Primary Government	1,051,395			1,151,040		2,146,083
Investment in Capital Leases - Other						
Inventories			19,002,610			
Prepaid Items	885		16,525,792	538,736	63,802	29,508
Other Assets			—		490,396	
Total Current Assets	3,519,917	13,668,521	241,744,176	38,729,448	5,007,287	5,459,501
Non-Current Assets						
Cash & Cash Equivalents	4,308,982	69,973			1,107,809	
Accounts Receivable, net						
Affiliated Organizations						
Pledges & Contributions	237,174				620,852	173,804
Other	219,218					
Investments	7,776,876	291,102	95,322,236	25,338,392	15,000	35,022,134
Notes Receivable, net			201,290			
Investment in Capital Leases - Primary Government	25,095,150			23,706,252		84,779,839
Investment in Capital Leases - Other						
Other Assets	522,500		6,353,031	2,183,441		692,305
Investments (Externally Restricted)	19,539,674					15,352,780
Capital Assets, net	897,307		262,810,454	6,725,011	90,674,940	3,032,988
Total Non-Current Assets	58,596,881	361,075	364,687,011	57,953,096	92,418,601	139,053,850
TOTAL ASSETS	62,116,798	14,029,596	606,431,187	96,682,544	97,425,888	144,513,351
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Debt Refunding						
Accumulated Decrease in Fair Value of Hedging Instruments						
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	Augusta University Foundation, Inc.	Augusta University Research Institute, Inc.	AU Health System Inc	AU Medical Associates	Georgia Advanced Technology Ventures, Inc.	Georgia College & State University Foundation
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 474,559	\$ 76,753	\$ 54,936,629	\$ 6,379,207	\$ 324,980	\$ 1,215,376
Salaries Payable			5,796,209	667,623		
Contracts Payable						
Due to Affiliated Organizations	197,028		2,061,886	585,165		21,836
Due to Component Units			500,000			
Due to Primary Government	113,505	5,472,694	17,911,829	13,603,248		
Advances (Including Tuition & Fees)					872,253	1,173,766
Deposits					153,327	
Deposits Held for Other Organizations						3,228,224
Other Liabilities	82,445	16,536	8,314,540	1,068,514	163,137	—
Notes & Loans Payable			3,445,833		740,435	273,221
Lease Purchase Obligations - External			5,932,665		1,516,529	
Revenue Bonds & Notes Payable	900,000		3,950,000	865,000		2,365,000
Liabilities Under Split Interest Agreements						
Interest Rate Swap						
Pollution Remediation					601,341	
Claims & Judgments						
Compensated Absences			16,893,026	1,950,458		
Total Current Liabilities	1,767,537	5,565,983	119,742,617	25,119,215	4,372,002	8,277,423
Non-Current Liabilities						
Due to Affiliated Organizations						
Due to Primary Government						
Due to Other Funds						
Advances (Including Tuition & Fees)					1,991,522	
Other Liabilities			8,682,920	2,102,916		
Notes & Loans Payable	376,000		37,037,500		7,946,303	373,458
Lease Purchase Obligations - External			24,048,493		54,513,018	
Revenue Bonds & Notes Payable	24,158,605		110,420,000	23,854,028		94,724,297
Liabilities Under Split Interest Agreements						846,253
Interest Rate Swap			20,812,794			9,643,001
Claims & Judgments						
Other Post Employment Benefits Obligation				11,531,792		
Total Non-Current Liabilities	24,534,605	—	201,001,707	37,488,736	64,450,843	105,587,009
TOTAL LIABILITIES	26,302,142	5,565,983	320,744,324	62,607,951	68,822,845	113,864,432
DEFERRED INFLOWS OF RESOURCES						
Deferred Funds Received in Advance of Timing Requirements						
Accumulated Increase in Fair Value of Hedging Instruments						2,130,394
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	—	2,130,394
NET POSITION						
Net Investment in Capital Assets	713,937		77,975,963	6,725,011	25,958,655	2,386,309
Restricted for:						
Nonexpendable	18,885,674					16,001,741
Expendable	16,426,174	69,973			8,128,464	8,560,052
Unrestricted (Deficit)	(211,129)	8,393,640	207,710,900	27,349,582	(5,484,076)	1,570,423
TOTAL NET POSITION	\$ 35,814,656	\$ 8,463,613	\$ 285,686,863	\$ 34,074,593	\$ 28,603,043	\$ 28,518,525

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	Georgia Gwinnett College Foundation, Inc.	Georgia Health Sciences Foundation, Inc.	Georgia Southern Housing Foundation, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation Inc. and Affiliates	Georgia Tech Athletic Association
ASSETS						
Current Assets						
Cash & Cash Equivalents	\$ 1,673,085	\$ 263,626	\$ 2,918,837	\$ 6,608,614	\$ 9,340,668	\$ 6,279,261
Short-term Investments		10,196,373	5,446,272			
Accounts Receivable, net						
Federal Financial Assistance						
Affiliated Organizations						
Component Units		500,000				
Primary Government	4,068				1,864,367	
Other	90,236	4,270,347	128,732	8,580,436	20,597,700	6,186,630
Notes Receivable, net						
Investment in Capital Leases - Primary Government	11,205,484		7,000,900	7,433,260		
Investment in Capital Leases - Other						
Inventories						
Prepaid Items		58,754	15,598		17,271,722	1,159,416
Other Assets				506,712		
Total Current Assets	12,972,873	15,289,100	15,510,339	23,129,022	49,074,457	13,625,307
Non-Current Assets						
Cash & Cash Equivalents	7,146,999		34,321,466	29,059,109		
Accounts Receivable, net						
Affiliated Organizations						
Pledges & Contributions	282,640	1,780,440		11,930,560		5,287,450
Other						
Investments	4,066,870	4,629,129		100,567,247	8,449,855	105,609,000
Notes Receivable, net						
Investment in Capital Leases - Primary Government	152,530,613		191,293,156	133,255,634	72,366,210	
Investment in Capital Leases - Other						
Other Assets	11,314	522,500		3,837,931		728,270
Investments (Externally Restricted)		2,423,183		118,798,858		
Capital Assets, net	10,763,142		436,692	15,388,234	9,145,925	164,857,696
Total Non-Current Assets	174,801,578	9,355,252	226,051,314	412,837,573	89,961,990	276,482,416
TOTAL ASSETS	187,774,451	24,644,352	241,561,653	435,966,595	139,036,447	290,107,723
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Debt Refunding					8,774,458	18,624,539
Accumulated Decrease in Fair Value of Hedging Instruments						
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ —	\$ —	\$ —	\$ —	\$ 8,774,458	\$ 18,624,539

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	Georgia Gwinnett College Foundation, Inc.	Georgia Health Sciences Foundation, Inc.	Georgia Southern Housing Foundation, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation Inc. and Affiliates	Georgia Tech Athletic Association
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 1,340,599	\$ 125,769	\$ 5,630,355	\$ 4,430,861	\$ 1,939,055	\$ 5,470,497
Salaries Payable						
Contracts Payable						
Due to Affiliated Organizations		9,195				
Due to Component Units						
Due to Primary Government	41,214	62,440	532,799		22,139,877	
Advances (Including Tuition & Fees)	500,000	1,541,873		16,079,406		508,993
Deposits						15,279,004
Deposits Held for Other Organizations				2,281,025		
Other Liabilities		3,058		802,593		
Notes & Loans Payable	111,586	789,686				943,965
Lease Purchase Obligations - External				584,500		73,133
Revenue Bonds & Notes Payable	1,800,000		7,443,201	6,085,000		1,105,000
Liabilities Under Split Interest Agreements		90,485				
Interest Rate Swap	3,741,162					
Pollution Remediation						
Claims & Judgments						1,575,564
Compensated Absences						
Total Current Liabilities	7,534,561	2,622,506	13,606,355	30,263,385	24,078,932	24,956,156
Non-Current Liabilities						
Due to Affiliated Organizations						
Due to Primary Government			3,096,400			
Due to Other Funds						
Advances (Including Tuition & Fees)				1,297,669		
Other Liabilities			4,911,828	6,346,539		
Notes & Loans Payable	2,262,728					5,082,536
Lease Purchase Obligations - External				617,900		120,902
Revenue Bonds & Notes Payable	171,236,654		194,670,669	129,003,422	81,500,392	216,583,039
Liabilities Under Split Interest Agreements		203,461		1,690,023		
Interest Rate Swap				10,881,060		
Claims & Judgments						650,740
Other Post Employment Benefits Obligation						
Total Non-Current Liabilities	173,499,382	203,461	202,678,897	149,836,613	81,500,392	222,437,217
TOTAL LIABILITIES	181,033,943	2,825,967	216,285,252	180,099,998	105,579,324	247,393,373
DEFERRED INFLOWS OF RESOURCES						
Deferred Funds Received in Advance of Timing Requirements					17,264,201	
Accumulated Increase in Fair Value of Hedging Instruments						
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	17,264,201	—
NET POSITION						
Net Investment in Capital Assets	8,388,828		436,692	15,388,234	9,145,925	(40,529,669)
Restricted for:						
Nonexpendable	1,261,066	2,423,183		128,335,053		38,323,155
Expendable	1,028,428	15,336,006	27,093,978	88,583,822	7,036,458	57,810,372
Unrestricted (Deficit)	(3,937,814)	4,059,196	(2,254,269)	23,559,488	8,784,997	5,735,031
TOTAL NET POSITION	\$ 6,740,508	\$ 21,818,385	\$ 25,276,401	\$ 255,866,597	\$ 24,967,380	\$ 61,338,889

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	Georgia Tech Facilities, Inc.	Georgia Tech Foundation, Inc.	Georgia Tech Research Corporation	Kennesaw State University Athletic Association, Inc.	Kennesaw State University Foundation, Inc.	Medical College of Georgia Foundation
ASSETS						
Current Assets						
Cash & Cash Equivalents	\$ 6,002,122	\$ 5,484,000	\$ 98,364,276	\$ 4,279,617	\$ 21,866,638	\$ 2,530,713
Short-term Investments						
Accounts Receivable, net						
Federal Financial Assistance						
Affiliated Organizations	704,673					
Component Units						
Primary Government				1,305,946	228,492	
Other		19,112,000	118,550,521	385,924	2,033,304	166,242
Notes Receivable, net	600,000					
Investment in Capital Leases - Primary Government	9,018,038	6,613,160			8,684,557	
Investment in Capital Leases - Other			327,503			
Inventories				242,980		
Prepaid Items	255,892		71,617	71,777	225,364	
Other Assets				4,615		
Total Current Assets	16,580,725	31,209,160	217,313,917	6,290,859	33,038,355	2,696,955
Non-Current Assets						
Cash & Cash Equivalents	3,794,047	10,857,000			49,890,104	
Accounts Receivable, net						
Affiliated Organizations	6,771,775					
Pledges & Contributions		105,211,000			3,107,937	972,567
Other			3			16,588
Investments		913,577,000	128		17,982,990	108,479,442
Notes Receivable, net	1,104,314					
Investment in Capital Leases - Primary Government	225,470,210	117,218,159			229,550,273	
Investment in Capital Leases - Other			4,466,472			
Other Assets	3,681,250	24,857,681				300,291
Investments (Externally Restricted)		621,400,000			33,172,960	127,714,592
Capital Assets, net	4,569,199	112,110,000	1,223,076	2,217,604	92,002,158	5,487,039
Total Non-Current Assets	245,390,795	1,905,230,840	5,689,679	2,217,604	425,706,422	242,970,519
TOTAL ASSETS	261,971,520	1,936,440,000	223,003,596	8,508,463	458,744,777	245,667,474
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Debt Refunding						
Accumulated Decrease in Fair Value of Hedging Instruments						
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	Georgia Tech Facilities, Inc.	Georgia Tech Foundation, Inc.	Georgia Tech Research Corporation	Kennesaw State University Athletic Association, Inc.	Kennesaw State University Foundation, Inc.	Medical College of Georgia Foundation
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 2,053,522	\$ 9,344,020		\$ 343,118	\$ 10,796,151	
Salaries Payable						
Contracts Payable						
Due to Affiliated Organizations		176,000				
Due to Component Units						
Due to Primary Government			\$ 76,864,935	1,842,593	1,547,715	
Advances (Including Tuition & Fees)	742,825	23,784,033	49,399,271	676,091	1,288,440	
Deposits		201,855			36,469	
Deposits Held for Other Organizations			29,998,329			
Other Liabilities			5,826,913			\$ 27,172
Notes & Loans Payable		25,928,644		400,000		2,309,104
Lease Purchase Obligations - External			368,794			
Revenue Bonds & Notes Payable	9,254,450	10,725,000			11,780,000	
Liabilities Under Split Interest Agreements		1,633,328			18,800	
Interest Rate Swap						
Pollution Remediation						
Claims & Judgments						
Compensated Absences		348,623				
Total Current Liabilities	12,050,797	72,141,503	162,458,242	3,261,802	25,467,575	2,336,276
Non-Current Liabilities						
Due to Affiliated Organizations		7,002,000				
Due to Primary Government						
Due to Other Funds						
Advances (Including Tuition & Fees)	5,000			758,334		
Other Liabilities		7,337,469				
Notes & Loans Payable		47,271,356		788,823		
Lease Purchase Obligations - External			4,425,181			
Revenue Bonds & Notes Payable	228,739,517	247,498,000			372,553,171	
Liabilities Under Split Interest Agreements		14,396,672			107,336	945,194
Interest Rate Swap						
Claims & Judgments						
Other Post Employment Benefits Obligation						
Total Non-Current Liabilities	228,744,517	323,505,497	4,425,181	1,547,157	372,660,507	945,194
TOTAL LIABILITIES	240,795,314	395,647,000	166,883,423	4,808,959	398,128,082	3,281,470
DEFERRED INFLOWS OF RESOURCES						
Deferred Funds Received in Advance of Timing Requirements						
Accumulated Increase in Fair Value of Hedging Instruments						
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	—	—
NET POSITION						
Net Investment in Capital Assets	4,569,215	47,569,500	1,223,076	1,028,781	(33,985,324)	3,177,935
Restricted for:						
Nonexpendable		693,105,000			36,388,593	127,714,592
Expendable	8,251,952	726,967,000		819,542	17,129,008	77,800,657
Unrestricted (Deficit)	8,355,039	73,151,500	54,897,097	1,851,181	41,084,418	33,692,820
TOTAL NET POSITION	\$ 21,176,206	\$ 1,540,793,000	\$ 56,120,173	\$ 3,699,504	\$ 60,616,695	\$ 242,386,004

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	Middle Georgia State University Real Estate Foundation, Inc.	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	University of North Georgia Real Estate Foundation, Inc.	UWG Real Estate Foundation, Inc.
ASSETS						
Current Assets						
Cash & Cash Equivalents	\$ 261,264	\$ 45,805,638	\$ 17,685,430	\$ 36,727,235	\$ 1,664,635	\$ 509,355
Short-term Investments			113,570,412			667,842
Accounts Receivable, net						
Federal Financial Assistance						
Affiliated Organizations						
Component Units		27,878				
Primary Government				982,712		
Other	119,743	2,457,680	21,652,353	35,485,994	130,673	
Notes Receivable, net						
Investment in Capital Leases - Primary Government	1,617,112			7,990,341	2,596,987	2,419,019
Investment in Capital Leases - Other						
Inventories						
Prepaid Items		742,999	381,599	227,249	120,336	
Other Assets				20,382,914		
Total Current Assets	1,998,119	49,034,195	153,289,794	101,796,445	4,512,631	3,596,216
Non-Current Assets						
Cash & Cash Equivalents				7,828,567	21,312,956	8,292,308
Accounts Receivable, net						
Affiliated Organizations						
Pledges & Contributions			41,917,388			
Other						
Investments	15,381,804	50,910,910	102,216,384	50,174,814		243,150
Notes Receivable, net						
Investment in Capital Leases - Primary Government	92,178,377			257,115,849	118,405,379	116,839,596
Investment in Capital Leases - Other						
Other Assets		496,506	14,958,700	754,033		
Investments (Externally Restricted)			819,440,998			
Capital Assets, net	789,332	274,453,063	24,929,865	19,523,537	10,078,248	
Total Non-Current Assets	108,349,513	325,860,479	1,003,463,335	335,396,800	149,796,583	125,375,054
TOTAL ASSETS	110,347,632	374,894,674	1,156,753,129	437,193,245	154,309,214	128,971,270
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Loss on Debt Refunding		11,559,556		16,534,037		
Accumulated Decrease in Fair Value of Hedging Instruments		3,961,146				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ —	\$ 15,520,702	\$ —	\$ 16,534,037	\$ —	\$ —

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	Middle Georgia State University Real Estate Foundation, Inc.	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	University of North Georgia Real Estate Foundation, Inc.	UWG Real Estate Foundation, Inc.
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 2,309,235	\$ 6,578,218	\$ 1,035,038	\$ 1,888,521	\$ 3,450,349	\$ 1,177,979
Salaries Payable		5,769,216				
Contracts Payable					1,096,841	
Due to Affiliated Organizations				9,337		
Due to Component Units						
Due to Primary Government		5,599,476	3,112,597	40,224,832		
Advances (Including Tuition & Fees)		25,740,505	641,469	2,186,282	2,345,415	
Deposits				22,540,419		
Deposits Held for Other Organizations						
Other Liabilities						
Notes & Loans Payable			5,586,136		438,750	
Lease Purchase Obligations - External						
Revenue Bonds & Notes Payable	1,555,000	2,865,000		9,605,000	3,186,453	2,946,721
Liabilities Under Split Interest Agreements			745,760			
Interest Rate Swap			1,878,813			
Pollution Remediation						
Claims & Judgments						
Compensated Absences						
Total Current Liabilities	3,864,235	46,552,415	12,999,813	76,454,391	10,517,808	4,124,700
Non-Current Liabilities						
Due to Affiliated Organizations						
Due to Primary Government						
Due to Other Funds			621,301			
Advances (Including Tuition & Fees)				1,769,494		
Other Liabilities		494,297				
Notes & Loans Payable	773,000		11,205,000	8,516,222	1,620,000	
Lease Purchase Obligations - External						
Revenue Bonds & Notes Payable	91,242,763	101,403,529		273,632,543	133,430,344	121,324,421
Liabilities Under Split Interest Agreements			8,442,818			
Interest Rate Swap		3,961,146	628,418			
Claims & Judgments						
Other Post Employment Benefits Obligation						
Total Non-Current Liabilities	92,015,763	105,858,972	20,897,537	283,918,259	135,050,344	121,324,421
TOTAL LIABILITIES	95,879,998	152,411,387	33,897,350	360,372,650	145,568,152	125,449,121
DEFERRED INFLOWS OF RESOURCES						
Deferred Funds Received in Advance of Timing Requirements						
Accumulated Increase in Fair Value of Hedging Instruments						
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	—	—
NET POSITION						
Net Investment in Capital Assets	1,014,058	181,744,090	8,138,729	11,007,315	2,861,423	
Restricted for:						
Nonexpendable			539,734,884			
Expendable	13,131,605		461,685,019	2,063,519		
Unrestricted (Deficit)	321,971	56,259,899	113,297,147	80,283,798	5,879,639	3,522,149
TOTAL NET POSITION	\$ 14,467,634	\$ 238,003,989	\$ 1,122,855,779	\$ 93,354,632	\$ 8,741,062	\$ 3,522,149

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	University System of Georgia Foundation, Inc. and Affiliates	VSU Auxiliary Services Real Estate Foundation	Elimination/ Consolidation Entries	Total
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 413,374	\$ 2,722,247		\$ 333,757,009
Short-term Investments				183,313,869
Accounts Receivable, net				
Federal Financial Assistance				5,254,618
Affiliated Organizations			\$ 27,878	3,515,078
Component Units			(527,878)	
Primary Government				9,026,217
Other	33,096	686,725		379,329,818
Notes Receivable, net				600,000
Investment in Capital Leases - Primary Government	3,952,636	3,623,144		76,503,156
Investment in Capital Leases - Other				327,503
Inventories				19,245,590
Prepaid Items		13,817		37,774,863
Other Assets				21,384,637
Total Current Assets	4,399,106	7,045,933	(500,000)	1,070,032,358
Non-Current Assets				
Cash & Cash Equivalents	14,160,197	9,144,179		201,293,696
Accounts Receivable, net				
Affiliated Organizations				6,771,775
Pledges & Contributions				171,521,812
Other				235,809
Investments	5,436,309			1,651,490,772
Notes Receivable, net				1,305,604
Investment in Capital Leases - Primary Government	253,470,637	168,513,203		2,261,788,537
Investment in Capital Leases - Other				4,466,472
Other Assets	890			59,900,643
Investments (Externally Restricted)				1,757,843,045
Capital Assets, net		227,338		1,112,342,848
Total Non-Current Assets	273,068,033	177,884,720	—	7,228,961,013
TOTAL ASSETS	277,467,139	184,930,653	(500,000)	8,298,993,371
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Debt Refunding				55,492,590
Accumulated Decrease in Fair Value of Hedging Instruments				3,961,146
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ —	\$ —	\$ —	\$ 59,453,736

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	University System of Georgia Foundation, Inc. and Affiliates	VSU Auxiliary Services Real Estate Foundation	Elimination/ Consolidation Entries	Total
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 677,064	\$ 1,894,883		\$ 123,892,738
Salaries Payable				12,233,048
Contracts Payable				1,096,841
Due to Affiliated Organizations				3,060,447
Due to Component Units			\$ (500,000)	—
Due to Primary Government				189,069,754
Advances (Including Tuition & Fees)				127,480,622
Deposits				38,211,074
Deposits Held for Other Organizations	890			35,508,468
Other Liabilities				16,304,908
Notes & Loans Payable				40,967,360
Lease Purchase Obligations - External				8,475,621
Revenue Bonds & Notes Payable	4,975,000	3,035,000		84,440,825
Liabilities Under Split Interest Agreements				2,488,373
Interest Rate Swap				5,619,975
Pollution Remediation				601,341
Claims & Judgments				1,575,564
Compensated Absences				19,192,107
Total Current Liabilities	5,652,954	4,929,883	(500,000)	710,219,066
Non-Current Liabilities				
Due to Affiliated Organizations				7,002,000
Due to Primary Government				3,096,400
Due to Other Funds				621,301
Advances (Including Tuition & Fees)				5,822,019
Other Liabilities				29,875,969
Notes & Loans Payable	39,595,688			162,848,614
Lease Purchase Obligations - External				83,725,494
Revenue Bonds & Notes Payable	230,763,309	167,191,153		3,013,929,856
Liabilities Under Split Interest Agreements				26,631,757
Interest Rate Swap		6,310,954		52,237,373
Claims & Judgments				650,740
Other Post Employment Benefits Obligation				11,531,792
Total Non-Current Liabilities	270,358,997	173,502,107	—	3,397,973,315
TOTAL LIABILITIES	276,011,951	178,431,990	(500,000)	4,108,192,381
DEFERRED INFLOWS OF RESOURCES				
Deferred Funds Received in Advance of Timing Requirements				17,264,201
Accumulated Increase in Fair Value of Hedging Instruments				2,130,394
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	19,394,595
NET POSITION				
Net Investment in Capital Assets		227,338		335,166,021
Restricted for:				
Nonexpendable	349,987			1,602,522,928
Expendable	527,494			1,538,449,523
Unrestricted (Deficit)	577,707	6,271,325		754,721,659
TOTAL NET POSITION	\$ 1,455,188	\$ 6,498,663	\$ —	\$ 4,230,860,131

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Augusta University Foundation, Inc.	Augusta University Research Institute, Inc.	AU Health System Inc	AU Medical Associates	Georgia Advanced Technology Ventures, Inc.	Georgia College & State University Foundation
OPERATING REVENUES						
Grants & Contracts						
Federal		\$ 50,742,878		\$ 1,615,076		
State						
Other		9,547,201			\$ 29,595	
Sales & Services	\$ 453,808		\$ 31,962,778		166,999	
Rents & Royalties	1,276,274	478,227	250,102	81,403	12,750,573	\$ 6,455,162
Auxiliary Enterprises						
Food Services			1,941,197			
Health Services			612,613,382	140,467,104		
Intercollegiate Athletics						
Gifts & Contributions	1,108,608				427,596	1,812,948
Endowment Income	1,023,803					3,244,705
Other Operating Revenues	16,966				3,253	123,712
Total Operating Revenues	3,879,459	60,768,306	646,767,459	142,163,583	13,378,016	11,636,527
OPERATING EXPENSES						
Staff Salaries			248,460,099	29,489,419	57,190	687,008
Employee Benefits			54,263,244	27,193,176		
Other Personal Services			78,804,212	89,452,222		
Travel			813,662	2,393,843		71,072
Scholarships & Fellowships	1,051,168			169,172		744,748
Utilities			3,982,641	98,365	39,500	87,198
Supplies & Other Services	1,059,977	60,496,796	265,946,995	13,319,265	6,011,245	2,638,718
Depreciation	16,122		33,593,642	781,266	2,604,228	105,872
Total Operating Expenses	2,127,267	60,496,796	685,864,495	162,896,728	8,712,163	4,334,616
Operating Income (Loss)	\$ 1,752,192	\$ 271,510	\$ (39,097,036)	\$ (20,733,145)	\$ 4,665,853	\$ 7,301,911

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Augusta University Foundation, Inc.	Augusta University Research Institute, Inc.	AU Health System Inc	AU Medical Associates	Georgia Advanced Technology Ventures, Inc.	Georgia College & State University Foundation
NONOPERATING REVENUES (EXPENSES)						
State Appropriations			\$ 31,409,501			
Grants & Contracts						
Federal			2,967,388			
State			3,178,581			
Other			741			
Gifts						
Investment Income	\$ 1,912,775	\$ 55,228	4,114,965	\$ 2,106,759	\$ 19,821	\$ 6,148,739
Interest Expense	(997,521)		2,307,576	(788,272)	(3,410,537)	(4,192,793)
Other Nonoperating Revenues (Expenses)	(271,369)	(99,563)	359,819	(25,075,751)		
Net Nonoperating Revenues	643,885	(44,335)	44,338,571	(23,757,264)	(3,390,716)	1,955,946
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	2,396,077	227,175	5,241,535	(44,490,409)	1,275,137	9,257,857
Capital Grants & Gifts						
Federal			88,747			
State					1,000,000	
Other			1,955,837		2,000,000	
Additions to Permanent & Term Endowments	741,239					1,904,607
Special Item						
Extraordinary Item						
Total Other Revenues, Expenses, Gains or Losses	741,239	—	2,044,584	—	3,000,000	1,904,607
Change in Net Position	3,137,316	227,175	7,286,119	(44,490,409)	4,275,137	11,162,464
Net Position, Beginning of Year, Restated	32,677,340	8,236,438	278,400,744	78,565,002	24,327,906	17,356,061
Net Position, End of Year	\$ 35,814,656	\$ 8,463,613	\$ 285,686,863	\$ 34,074,593	\$ 28,603,043	\$ 28,518,525

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Georgia Gwinnett College Foundation, Inc.	Georgia Health Sciences Foundation, Inc.	Georgia Southern Housing Foundation, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation Inc. and Affiliates	Georgia Tech Athletic Association
OPERATING REVENUES						
Grants & Contracts						
Federal					\$ 74,446,010	
State					1,069,375	
Other		\$ 405,857			17,863,149	
Sales & Services	\$ 79,006	922,460				\$ 56,864,958
Rents & Royalties	11,575,854	12,300	\$ 10,543,159	\$ 20,163,192	129,335	9,591,533
Auxiliary Enterprises						
Food Services						
Health Services						
Intercollegiate Athletics						
Gifts & Contributions	1,324,289	1,356,302		27,097,797		4,122,330
Endowment Income				5,747,888		
Other Operating Revenues	378,000	1,595,639	1,740,776	(7,446,971)	2,835,187	
Total Operating Revenues	13,357,149	4,292,558	12,283,935	45,561,906	96,343,056	70,578,821
OPERATING EXPENSES						
Staff Salaries						
Employee Benefits						
Other Personal Services		987,036	201,703			
Travel		134,746		1,204,375	97,054	6,319,413
Scholarships & Fellowships	251,913	1,096,559		7,237,984		11,071,266
Utilities					6,328	
Supplies & Other Services	1,544,717	6,037,878	1,384,424	36,232,588	92,696,632	47,327,899
Depreciation	82,597			591,008	653,811	7,587,218
Total Operating Expenses	1,879,227	8,256,219	1,586,127	45,265,955	93,453,825	72,305,796
Operating Income (Loss)	\$ 11,477,922	\$ (3,963,661)	\$ 10,697,808	\$ 295,951	\$ 2,889,231	\$ (1,726,975)

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Georgia Gwinnett College Foundation, Inc.	Georgia Health Sciences Foundation, Inc.	Georgia Southern Housing Foundation, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation Inc. and Affiliates	Georgia Tech Athletic Association
NONOPERATING REVENUES (EXPENSES)						
State Appropriations						
Grants & Contracts						
Federal						
State						
Other						
Gifts					\$ (80,935)	
Investment Income	\$ 1,498,018	\$ 342,379	\$ 752,945	\$ 8,358,721	605,029	\$ 12,428,554
Interest Expense	(7,515,725)	(26,021)	(8,877,741)	(1,696,322)	(2,819,904)	(12,592,465)
Other Nonoperating Revenues (Expenses)					633,791	(1,149,375)
Net Nonoperating Revenues	(6,017,707)	316,358	(8,124,796)	6,662,399	(1,662,019)	(1,313,286)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	5,460,215	(3,647,303)	2,573,012	6,958,350	1,227,212	(3,040,261)
Capital Grants & Gifts						
Federal						
State						
Other						
Additions to Permanent & Term Endowments	(48,975)	355,219		12,542,959		1,969,742
Special Item						
Extraordinary Item						
Total Other Revenues, Expenses, Gains or Losses	(48,975)	355,219	—	12,542,959	—	1,969,742
Change in Net Position	5,411,240	(3,292,084)	2,573,012	19,501,309	1,227,212	(1,070,519)
Net Position, Beginning of Year, Restated	1,329,268	25,110,469	22,703,389	236,365,288	23,740,168	62,409,408
Net Position, End of Year	\$ 6,740,508	\$ 21,818,385	\$ 25,276,401	\$ 255,866,597	\$ 24,967,380	\$ 61,338,889

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Georgia Tech Facilities, Inc.	Georgia Tech Foundation, Inc.	Georgia Tech Research Corporation	Kennesaw State University Athletic Association, Inc.	Kennesaw State University Foundation, Inc.	Medical College of Georgia Foundation
OPERATING REVENUES						
Grants & Contracts						
Federal			\$ 583,812,699			
State			7,573,630			
Other	\$ 1,980,000		90,628,106			
Sales & Services	8,784	\$ 21,000		\$ 5,686,095	\$ 532,957	
Rents & Royalties	14,661,626	25,570,000	11,888,231		41,124,292	\$ 1,458,843
Auxiliary Enterprises						
Food Services						
Health Services						
Intercollegiate Athletics						
Gifts & Contributions		47,181,000		4,707,755	3,312,047	2,406,967
Endowment Income					1,204,044	
Other Operating Revenues				14,955,975	9,948,612	27,069
Total Operating Revenues	16,650,410	72,772,000	693,902,666	25,349,825	56,121,952	3,892,879
OPERATING EXPENSES						
Staff Salaries		3,403,000		7,270,002	3,607,058	848,864
Employee Benefits		529,000				127,613
Other Personal Services		72,000			36,014	
Travel		92,000	127,858	2,394,864	25,375	4,367
Scholarships & Fellowships				5,451,689		1,845,941
Utilities	193,750	512,000			3,041,028	26,524
Supplies & Other Services	749,134	104,195,000	690,277,098	8,381,848	17,241,864	6,847,271
Depreciation	60,000	4,352,000	340,865	436,626	5,114,391	19,502
Total Operating Expenses	1,002,884	113,155,000	690,745,821	23,935,029	29,065,730	9,720,082
Operating Income (Loss)	\$ 15,647,526	\$ (40,383,000)	\$ 3,156,845	\$ 1,414,796	\$ 27,056,222	\$ (5,827,203)

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Georgia Tech Facilities, Inc.	Georgia Tech Foundation, Inc.	Georgia Tech Research Corporation	Kennesaw State University Athletic Association, Inc.	Kennesaw State University Foundation, Inc.	Medical College of Georgia Foundation
NONOPERATING REVENUES (EXPENSES)						
State Appropriations						
Grants & Contracts						
Federal						
State						
Other						
Gifts						
Investment Income	\$ 123,965	\$ 185,908,000	\$ 422,189		\$ 2,649,294	\$ 27,183,044
Interest Expense	(12,905,063)	(12,380,000)		\$ (32,529)	(15,273,484)	
Other Nonoperating Revenues (Expenses)			370,702			
Net Nonoperating Revenues	(12,781,098)	173,528,000	792,891	(32,529)	(12,624,190)	27,183,044
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	2,866,428	133,145,000	3,949,736	1,382,267	14,432,032	21,355,841
Capital Grants & Gifts						
Federal						
State						
Other						
Additions to Permanent & Term Endowments		39,717,000				1,988,107
Special Item					940,155	
Extraordinary Item					(3,324,141)	
Total Other Revenues, Expenses, Gains or Losses	—	39,717,000	—	—	(2,383,986)	1,988,107
Change in Net Position	2,866,428	172,862,000	3,949,736	1,382,267	12,048,046	23,343,948
Net Position, Beginning of Year, Restated	18,309,778	1,367,931,000	52,170,437	2,317,237	48,568,649	219,042,056
Net Position, End of Year	\$ 21,176,206	\$ 1,540,793,000	\$ 56,120,173	\$ 3,699,504	\$ 60,616,695	\$ 242,386,004

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Middle Georgia State University Real Estate Foundation, Inc.	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	University of North Georgia Real Estate Foundation, Inc.	UWG Real Estate Foundation, Inc.
OPERATING REVENUES						
Grants & Contracts						
Federal						
State						
Other				\$ 182,409,293		
Sales & Services			\$ 8,489,747		\$ 38,400	
Rents & Royalties	\$ 5,163,607		1,087,217	27,574,536	8,009,644	\$ 6,455,564
Auxiliary Enterprises						
Food Services						
Health Services						
Intercollegiate Athletics		\$ 130,318,885				
Gifts & Contributions			55,337,232		151,602	
Endowment Income						
Other Operating Revenues						
Total Operating Revenues	5,163,607	130,318,885	64,914,196	209,983,829	8,199,646	6,455,564
OPERATING EXPENSES						
Staff Salaries		11,911,586	441,568			
Employee Benefits		360,884				
Other Personal Services						
Travel		10,608,328	902,749			
Scholarships & Fellowships			63,000			
Utilities						
Supplies & Other Services	220,980	91,703,657	77,618,273	194,300,429	700,321	717,800
Depreciation		8,991,206	1,320,150	115,077	116,941	
Total Operating Expenses	220,980	123,575,661	80,345,740	194,415,506	817,262	717,800
Operating Income (Loss)	\$ 4,942,627	\$ 6,743,224	\$ (15,431,544)	\$ 15,568,323	\$ 7,382,384	\$ 5,737,764

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Middle Georgia State University Real Estate Foundation, Inc.	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.	University of North Georgia Real Estate Foundation, Inc.	UWG Real Estate Foundation, Inc.
NONOPERATING REVENUES (EXPENSES)						
State Appropriations						
Grants & Contracts						
Federal						
State						
Other						
Gifts		\$ 22,000,000				
Investment Income	\$ 266,400	3,844,105	\$ 106,844,666	\$ 3,231,309	\$ 304,035	\$ 117,849
Interest Expense	(4,584,391)	(2,396,646)	1,766,237	(12,388,604)	(6,373,418)	(5,144,156)
Other Nonoperating Revenues (Expenses)	2,250	(58,320)		(197,514)		
Net Nonoperating Revenues	(4,315,741)	23,389,139	108,610,903	(9,354,809)	(6,069,383)	(5,026,307)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	626,886	30,132,363	93,179,359	6,213,514	1,313,001	711,457
Capital Grants & Gifts						
Federal						
State						
Other						
Additions to Permanent & Term Endowments			53,483,214			
Special Item					(1,217,245)	
Extraordinary Item						
Total Other Revenues, Expenses, Gains or Losses	—	—	53,483,214	—	(1,217,245)	—
Change in Net Position	626,886	30,132,363	146,662,573	6,213,514	95,756	711,457
Net Position, Beginning of Year, Restated	13,840,748	207,871,626	976,193,206	87,141,118	8,645,306	2,810,692
Net Position, End of Year	\$ 14,467,634	\$ 238,003,989	\$ 1,122,855,779	\$ 93,354,632	\$ 8,741,062	\$ 3,522,149

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2017

	University System of Georgia Foundation, Inc. and Affiliates	VSU Auxiliary Services Real Estate Foundation	Elimination/ Consolidation Entries	Total
OPERATING REVENUES				
Grants & Contracts				
Federal				\$ 710,616,663
State				8,643,005
Other				302,863,201
Sales & Services	\$ 586,393			105,813,385
Rents & Royalties	15,160,170	\$ 7,631,810		239,092,654
Auxiliary Enterprises				
Food Services				1,941,197
Health Services				753,080,486
Intercollegiate Athletics				130,318,885
Gifts & Contributions	1,397,572	3,860,094		155,604,139
Endowment Income	21,479			11,241,919
Other Operating Revenues		954,491		25,132,709
Total Operating Revenues	17,165,614	12,446,395		2,444,348,243
OPERATING EXPENSES				
Staff Salaries		93,932		306,269,726
Employee Benefits				82,473,917
Other Personal Services				169,553,187
Travel	59,325			25,249,031
Scholarships & Fellowships	1,578,671			30,562,111
Utilities				7,987,334
Supplies & Other Services	1,855,931	621,492		1,730,128,232
Depreciation				66,882,522
Total Operating Expenses	3,493,927	715,424		2,419,106,060
Operating Income (Loss)	\$ 13,671,687	\$ 11,730,971		\$ 25,242,183

The notes to the financial statements are an integral part of this statement.

UNIVERSITY SYSTEM OF GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPONENT UNITS
FOR FISCAL YEAR ENDED JUNE 30, 2017

	University System of Georgia Foundation, Inc. and Affiliates	VSU Auxiliary Services Real Estate Foundation	Elimination/ Consolidation Entries	Total
NONOPERATING REVENUES (EXPENSES)				
State Appropriations				\$ 31,409,501
Grants & Contracts				
Federal				2,967,388
State				3,178,581
Other				741
Gifts				21,919,065
Investment Income	\$ 566,478	\$ 38,170		369,843,437
Interest Expense	(12,553,448)	(7,575,758)		(130,450,985)
Other Nonoperating Revenues (Expenses)		(8,318,529)		(33,803,859)
Net Nonoperating Revenues	(11,986,970)	(15,856,117)		265,063,869
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	1,684,717	(4,125,146)		290,306,052
Capital Grants & Gifts				
Federal				88,747
State				1,000,000
Other				3,955,837
Additions to Permanent & Term Endowments	104,678			112,757,790
Special Item				(277,090)
Extraordinary Item				(3,324,141)
Total Other Revenues, Expenses, Gains or Losses	104,678	—		114,201,143
Change in Net Position	1,789,395	(4,125,146)		404,507,195
Net Position, Beginning of Year, Restated	(334,207)	10,623,809		3,826,352,936
Net Position, End of Year	\$ 1,455,188	\$ 6,498,663		\$4,230,860,131

The notes to the financial statements are an integral part of this statement.



UNIVERSITY SYSTEM OF GEORGIA

Notes to the Financial Statements



UNIVERSITY SYSTEM OF GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1 Summary of Significant Accounting Policies

Nature of Operations

The University System of Georgia (USG) serves the state and national communities by providing its students with academic instruction that advances fundamental knowledge and by disseminating knowledge to the people of Georgia, the nation, and throughout the world.

Reporting Entity

The USG, an organizational unit of the State of Georgia primary government (State), is comprised of twenty-eight (28) State-supported member institutions of higher education in Georgia, the University System Office (USO), the Georgia Archives and the Georgia Public Library System. The USO also is the custodian of the Board of Regents Retiree Health Benefit Fund and the Deferred Compensation Plan. Augusta University, an organizational unit of the USG, is the custodian of the Early Retirement Plan.

The Board of Regents of the University System of Georgia (Board) has constitutional authority to govern, control and manage the USG. The Board was created in 1931 as a part of a reorganization of Georgia's state government. With this act, public higher education in Georgia was unified for the first time under a single governing and management authority. The governor appoints members to the Board, who each serve seven years; regents may be reappointed to subsequent terms by a sitting governor. Regents donate their time and expertise to serve the State through their governance of the USG - the positions are voluntary ones without financial remuneration. Today, the Board is composed of 19 members, five of whom are appointed from the state-at-large, and one from each of the 14 congressional districts. The Board elects a chancellor who serves as its chief executive officer and the chief administrative officer of the USG.

The USG does not have the right to sue/be sued without recourse to the State. The USG's property is the property of the State and subject to all the limitations and restrictions imposed upon other property of the State by the Constitution and laws of the State. In addition, the USG is not legally separate from the State. Accordingly, the USG is included within the State's basic financial statements as part of the primary government as defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

The accompanying basic financial statements are intended to supplement the State's Comprehensive Annual Financial Report (CAFR) by presenting the financial position and changes in financial position and cash flows of only that portion of the business-type activities of the State that is attributable to the transactions of the USG. In addition, certain discretely presented component units of the State, as discussed below, have been included since they have been determined to be essential to the fair presentation to these departmental financial statements. These financial statements do not purport to, and do not, present fairly the financial position of the State as of June 30, 2017, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying basic financial statements should be read in conjunction with the State's CAFR. The most recent State of Georgia CAFR can be obtained through the State Accounting Office, 200 Piedmont Avenue, Suite 1604 (West Tower), Atlanta, Georgia 30334 or online at sao.georgia.gov/comprehensive-annual-financial-reports.

Discretely Presented Component Units

The below organizations are legally separate, tax-exempt component units of the State. Although the State (primary government) is not fiscally accountable for these entities, it has been determined that the nature and significance of the relationship between the primary government and the below organizations is such that exclusion from these departmental financial statements would render them misleading. The below organizations met the requirements for discrete presentation as defined by GASB Codification Sections 2100 and 2600. Each of the below organization's fiscal year ends on June 30 each year, except for VSU Auxiliary Services Real Estate Foundation, Inc. VSU Auxiliary Services Real Estate Foundation, Inc.'s fiscal year ends December 31 each year. Separately issued financial statements are available from the following addresses.

- Augusta University Foundation, Inc. 1120 15th Street, FI-1049, Augusta, GA, 30912
- Augusta University Research Institute, Inc. 1120 15th Street, AA 311, Richmond, Augusta, GA, 30912
- AU Health Systems, Inc. d/b/a AU Health System, 1120 15th Street. FY139, Augusta, GA 30912
- AU Medical Associates & Subsidiaries, 1499 Walton Way, Ste. 1400, Augusta, GA 30901
- Georgia Advanced Technology Ventures Inc. - 221 Uncle Heinie Way, Lyman Hall Suite 325, Atlanta, GA, 30332-0257 or found at gatv.gatech.edu/financial-statements.
- Georgia College & State University Foundation, Inc., 231 W Hancock St., CBX 96, Milledgeville, GA, 30161.
- Georgia Gwinnett College Foundation, Inc., 1000 University Center Lane, Lawrenceville, GA, 30043.
- Georgia Southern University Housing Foundation, Inc., P.O. Box 8020, Statesboro, GA 30460
- Georgia State University Foundation, Inc., Attn: Dale Parmer, GSU Foundation, 533 One Park Place, Atlanta, GA 30301-2668.
- Georgia State University Research Foundation, Inc., 100 Auburn Avenue, Suite 315, Fulton, Atlanta, GA, 30303
- Georgia Health Sciences Foundation, Inc., 1120 15th Street, Augusta, Georgia 30912
- Georgia Tech Athletic Association - 150 Bobby Dodd Way, NW, Atlanta, GA 30332-0455 or found at fin-services.gatech.edu/affiliated-organization-financial-statements.
- Georgia Tech Facilities Inc. - 221 Uncle Heinie Way, NW, Lyman Hall Suite 325, Atlanta GA 30332-0257 or found at gtfi.gatech.edu/financial-statements.
- Georgia Tech Foundation Inc. - 760 Spring Street, NW, Suite 400, Atlanta, GA 30308 or found at gtf.gatech.edu/financial-statements.
- Georgia Tech Research Corporation - 505 10th Street, Atlanta, GA 30332-0415 or found at gtrc.gatech.edu/financial-information.
- Kennesaw State University Athletic Association, Inc., 590 Cobb Avenue MD# 0201, Cobb, Kennesaw, GA, 30144
- Kennesaw State University Foundation, Inc., 3391 Town Point Drive, Suite 4530/Mail drop 9101, Kennesaw, GA 30144.
- Medical College of Georgia Foundation, 545 15th Street, Augusta, GA 30901
- Middle Georgia State University Real Estate Foundation, Inc., 100 University Pkwy, Macon, GA 31206
- University of Georgia Athletic Association, Inc., 456 E. Broad Street, Athens, GA 30602
- University of Georgia Foundation, 394 S. Milledge Ave, Suite 100, Athens, GA 30602
- University of Georgia Research Foundation, Inc., 324 Business Services Building, 456 E. Broad Street, Athens, GA 30602
- University of North Georgia Real Estate Foundation, Inc., 110 South Chestatee Street, Suite 320, Dahlonega, GA 30597
- University System of Georgia Foundation, Inc., 270 Washington Street, SW Suite 7007, Atlanta, Ga 30334

- VSU Auxiliary Services Real Estate Foundation, Inc., 1500 N. Patterson St, Valdosta, GA 31698
- UWG Real Estate Foundation, Inc., 1601 Maple St, Carrollton, GA 30118

See Component Unit Note for additional information related to discretely presented component units.

Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by the GASB and are presented as required by these standards to provide a comprehensive, entity-wide perspective of the USG's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, expenses, changes in net position and cash flows.

The USG's business-type activities and fiduciary fund financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenues in the fiscal year in which eligibility requirements imposed by the provider have been met. All significant intra-fund transactions have been eliminated.

The USG reports the following Fiduciary Funds:

Pension and Other Post-Employee Benefit Trust Funds - Accounts for the activities of the Early Retirement Plan, the Board of Regents Retiree Health Benefit Fund and the Deferred Compensation Fund.

New Accounting Pronouncements

For fiscal year 2017, the USG adopted GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses accounting and financial reporting issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

For fiscal year 2017, the USG adopted GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The adoption of this Statement does not have a significant impact on the USG's financial statements.

For fiscal year 2017, the USG adopted GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption of this Statement does not have a significant impact on the USG's financial statements.

For fiscal year 2017, the USG adopted GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The adoption of this Statement does not have a significant impact on the USG's financial statements.

For fiscal year 2017, the USG adopted GASB Statement No. 74, *Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans*. This Statement replaces GASB Statements No. 43, *Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution other post employment benefit (OPEB) plans that replace the requirements for those OPEB plans in GASB Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, No. 43, and No. 50, *Pension Disclosures*. The objective of this Statement is to improve the usefulness of information about post employment benefits other than pensions. The adoption of this Statement does not have a significant impact on the USG's financial statements.

Future Accounting Pronouncements

In fiscal year 2018, the USG will adopt GASB Statement No. 75, *Accounting and Financial Reporting for Post Employment Benefits Other Than Pensions*. The provisions of this Statement establish accounting and financial reporting standards for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements. Implementation of this Statement will require the USG to record a liability for its proportionate share of the OPEB Liability of plans in which it participates. Actuarial estimates are currently being made to determine the USG's liability, the effects of which are believed to be material.

Cash and Cash Equivalents

Cash and Cash Equivalents consist of petty cash, demand deposits and time deposits in authorized financial institutions, and cash management pools that have the general characteristics of demand deposit accounts. This includes the State Investment Pool (Georgia Fund 1) and the Board of Regents Short-Term Investment Pool.

Short-Term Investments

Short-Term Investments consist of investments of 90 days - 13 months. These include certificates of deposits or other time-restricted investments with original maturities of six months or more when purchased. Funds are not readily available and there is a penalty for early withdrawal.

Investments

Investments include financial instruments with terms in excess of 13 months, certain other securities for the production of revenue, land, and other real estate held as investments by endowments. The USG accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. The Board of Regents Legal Fund, the Board of Regents Balanced Income Fund, the Board of Regents Total Return Fund, the Board of Regents Diversified Fund, the Board of Regents Diversified Fund for Foundations and the Georgia Extended Asset Pool are included as investments.

Accounts Receivable

Accounts receivable consists of tuition and fees charged to students and auxiliary enterprise services provided to students, faculty and staff, the majority of whom reside in the State of Georgia. Accounts receivable also includes amounts due from federal, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the USG's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories

Consumable supplies are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis. Resale inventories are valued at cost using the average-cost basis.

Non-current Cash and Cash Equivalents

Cash and cash equivalents that are externally restricted and cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position.

Non-current Investments

Investments that cannot be used to pay current liabilities are classified as non-current assets in the Statement of Net Position.

Prepaid Items

Payments made to vendors and state and local government organizations for services that will benefit periods beyond June 30, 2017 are recorded as prepaid items.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the USG's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that exceed \$100,000 and/or significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation, which also includes amortization of intangible assets such as water, timber, and mineral rights, easements, patents, trademarks, and copyrights, as well as software, is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 60 years for buildings, 20 to 25 years for infrastructure and land improvements, 10 years for library books, and 3 to 20 years for equipment. Residual values will generally be 10% of historical costs for infrastructure, buildings and building improvements, and facilities and other improvements.

To fully understand plant additions in the USG, it is necessary to look at the activities of the Georgia State Financing and Investment Commission (GSFIC) - an organization that is external to the System. GSFIC issues bonds for and on behalf of the State of Georgia, pursuant to powers granted to it in the Constitution of the State of Georgia and the Act creating the GSFIC. The bonds so issued constitute direct and general obligations of the State of Georgia, to the payment of which the full faith, credit and taxing power of the State are pledged.

For projects managed by GSFIC, GSFIC retains construction in progress in its accounting records throughout the construction period and transfers the entire project to the institutional unit of the University System when complete. For projects managed by institutions of the USG, the institutions retain construction in progress on their books and are reimbursed by GSFIC.

Capital Liability Reserve Fund

The Capital Liability Reserve Fund (Fund) was established by the Board of Regents to protect the fiscal integrity of the USG to maintain the strongest possible credit ratings associated with Public Private Venture (PPV) projects and to ensure that the Board of Regents can effectively support its long-term capital lease obligations. All USG institutions participating in the PPV program finance the Fund. The Fund serves as a pooled reserve that is managed by the Board of Regents. The Fund shall only be used to address significant shortfalls and only insofar as a requesting USG institution is unable to make the required PPV capital lease payment to the designated affiliated organization. The Fund will continue as long as the Board of Regents has rental obligations under the PPV program and at the conclusion of the program, funds will be returned to each institution. See Note 10 for additional information.

Deferred Outflows of Resources

Deferred outflows of resources consist of the consumption of net position that is applicable to a future reporting period.

Deposits

Deposits represent good faith deposits from students to reserve housing assignments, meal plans or other auxiliary services.

Advances

Advances include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Advances also include amounts received from grant and contract sponsors that have not yet been earned.

Deposits Held for Other Organizations

Deposits held for other organizations result primarily from the USG acting as an agent or fiduciary, for another entity. Deposits held for others include scholarships, fellowships, study abroad deposits and other funds held for various governments, companies, clubs or individuals.

Claims and Judgments

An estimated loss from claims and judgments is recognized when information available prior to issuance of the financial statements indicates it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Pollution Remediation Obligations

Pollution remediation obligations are recorded when the USG knows that a site is polluted and one or more obligating events have occurred. The amount recorded is an estimate of the current value of potential outlays for cleanup, calculated using the "expected cash flows" measurement technique.

Compensated Absences

Employee vacation pay is accrued at the end of the fiscal year for financial statement purposes. The liability and expense incurred are recorded at the end of the fiscal year as compensated absences in the Statement of Net Position, and as a component of compensation and benefit expense in the Statements of Revenues, Expenses, and Changes in Net Position.

Non-current Liabilities

Non-current liabilities include: (1) liabilities that will not be paid within the next fiscal year; (2) capital lease obligations with contractual maturities greater than one year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as non-current assets.

Deferred Inflows of Resources

Deferred inflows of resources consist of the acquisition of net position that is applicable to a future reporting period.

Net Other Post-Employment Benefit (OPEB) Obligation

The net OPEB obligation represents the cumulative difference between the actuarially determined annual required contribution and the amount actually contributed by the USG.

The financial statements of the OPEB plan are prepared using the accrual basis of accounting. Employer contributions are recognized in the period in which they are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Pensions and Net Pension Liability

The net pension liability represents the USG's proportionate share of the difference between the total pension liability as a result of the exchange for employee services for compensation and the fiduciary net position or the fair value of the plan assets as of a given measurement date.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position, additions to/ deductions from the plans fiduciary net position have been determined on the same basis as they are reported by Teachers Retirement System of Georgia and Employees' Retirement System of Georgia. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Service Concession Arrangements

Service concession agreements are arrangements between a government (transferor, one of our institutions) and a third party (operator) in which all of the following criteria are met:

- a) The institution conveys to the operator the right and obligation to provide public services through the use and operation of a capital asset in exchange for significant consideration. Significant consideration could be in the form of up - front payments, installment payments, a new facility or improvements to existing facility.
- b) The operator collects and is compensated by fees from third parties.
- c) The institution has the ability to modify or approve what services the operator is required to provide, to whom services are provided, and prices or rates that can be charged for those services.
- d) The institution is entitled to significant residual interest in the service utility of the asset at the end of the arrangement.

Net Position

The USG's net position is classified as follows:

Net Investment in capital assets represents the USG's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets. The term "debt obligations" as used in this definition does not include debt of the GSFIC as discussed previously in Note 1 - Capital Assets section.

Restricted - nonexpendable net position includes endowments and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. For institution-controlled, donor-restricted endowments, the by-laws of the Board of Regents of the University System of Georgia permits each individual institution to use prudent judgment in the spending of current realized and unrealized endowment appreciation. Donor-restricted endowment appreciation is periodically transferred to restricted - expendable accounts for expenditure as specified by the purpose of the endowment. Each institution maintains pertinent information related to each endowment fund including donor; amount and date of donation; restrictions by the source of limitations; limitations on investments, etc.

Restricted - expendable net position includes resources in which the USG is legally or contractually obligated to spend resources in accordance with restrictions by external third parties.

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the USG, and may be used at the discretion of the governing board to meet current expenses for those purposes, except for unexpended state appropriations (surplus). Unexpended state appropriations must be refunded to the Office of the State Treasurer. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the USG's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

Income Taxes

The USG, as a political subdivision of the State of Georgia, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended.

Classification of Revenues and Expenses

The Statement of Revenues, Expenses and Changes in Net Position classifies fiscal year activity as operating and nonoperating according to the following criteria:

- Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) certain federal, state and local grants and contracts, and (3) sales and services.
- Nonoperating revenue includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenue by GASB Statements No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, such as state appropriations and investment income.
- Operating expense includes activities that have the characteristics of exchange transactions.
- Nonoperating expense includes activities that have the characteristics of non-exchange transactions, such as capital financing costs and costs related to investment activity.

Scholarship Allowances

Scholarship allowances are the difference between the stated charge for goods and services provided by the USG, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or non-operating revenues in the USG's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the USG has recorded contra revenue for scholarship allowances. Student tuition and other fee revenues reported on the Statement of Revenues, Expenses and Changes in Net Position are net of discounts and allowances of \$577,886,391.

Restatement of Prior Year Net Position

The USG made the following restatements:

	Business-type Activities	Discretely Presented Component Units
Net position, beginning of year, as originally reported	\$ 3,106,069,636	\$ 3,649,184,723
Changes in financial reporting entity	(50,924,174)	167,333,732
Changes in accounting principles		
Re-evaluation of capital assets and capital lease agreements between the institutions and their foundations	391,980	
Net effect of converting previously blended component units from GASB basis of accounting to FASB basis of accounting		(14,786,284)
Net effect from converting from modified cash basis of accounting to GASB basis of accounting for AU Medical Associates		5,138,687
Correction of prior year errors		
Capital assets	(3,974,531)	
Receivables	(120,943)	
Due from primary government		19,482,078
Due to component units	(19,482,078)	
Payables	(1,329,178)	
Advances	4,153,386	
Net position, beginning of year, restated	\$ 3,034,784,098	\$ 3,826,352,936

Changes in Financial Reporting Entity

After evaluating changes made during the current fiscal year to the bylaws for Georgia Southern University Housing Foundation, Inc., UWG Real Estate Foundation, Inc., and VSU Auxiliary Services Real Estate Foundation, the determination was made that these foundations no longer met requirements for inclusion in the financial reporting entity as business-type activities. However, the determination was made that it would be misleading to exclude these foundations from the financial reporting entity. Therefore, these foundations are reported as discretely presented component units. The effect of this determination was a decrease to business-type activity beginning net position and an increase to discretely presented component unit beginning net position in the amount of \$50.9 million. Additionally, the beginning cash and cash equivalents reported on the Statement of Cash Flow was restated by \$55.5 million.

In addition to the foundations mentioned above, the determination was made that Augusta University Foundation, Inc., Augusta University Research Institute, Inc., Georgia Advanced Technology Ventures, Inc., Georgia Health Sciences Foundation, Inc., Georgia State University Research Foundation Inc. and Affiliates, and Kennesaw State University Athletic Association, Inc. met the requirements for inclusion as discretely presented component units. The effect of this determination was an increase to discretely presented component unit beginning net position in the amount of \$116.4 million.

Special Items

During fiscal year 2017, the University of West Georgia sold land and buildings located in Newnan, Georgia. Total proceeds from the sale were \$877,965 and the net book value of the assets sold were \$2,007,924. This resulted in a loss on sale of assets of \$1,129,959.

Augusta University transferred property to the Georgia Technology Authority in fiscal year 2017 consisting of approximately 16.47 acres of land formerly known as the Georgia Golf Hall of Fame located at 1 Eleventh Street in Augusta, Richmond County, Georgia valued at \$5,265,951.

In January 2017, the lease for the Georgia State University Student Recreation Center was amended. Under the amended lease terms, the future lease payments will be reduced by a cumulative total of \$9,696,791 and the lease maturity date advances from June 2021 to September 2018. As a result, the University had a Special Item Gain for the Student Recreation Center of \$7,228,875 for the year ending June 30, 2017, representing the net present value of the reduction in the future lease payments.

In January 2017, the lease for the Georgia State University Alpharetta Center was amended. Under the amended lease terms, the future lease payments will be reduced by a cumulative \$2,289,668 and the lease maturity date advances from June 2020 to October 2018. As a result, the University had a Special Item Gain for the Alpharetta Center of \$1,406,391 for the year ending June 30, 2017, representing the net present value of the reduction in future lease payments.

The remaining special item transfer of \$19,496 related to the transfer of equipment outside of the reporting entity.

Note 2 Deposits and Investments

Cash and cash equivalents and investments as of June 30, 2017 are classified in the accompanying statement of net position and statement of fiduciary net position as follows:

Cash & Cash Equivalents	\$	1,530,433,601
Short-Term Investments		31,443,424
Investments		98,861,978
Non Current - Investments		240,151,830
Cash (Externally Restricted)		6,006,227
Short Term Investments (Externally Restricted)		20,876
Investments (Externally Restricted)		186,673,642
	\$	<u>2,093,591,578</u>

Cash on hand, deposits and investments as of June 30, 2017 consist of the following:

Cash on Hand	\$	1,141,272
Deposits with Financial Institutions		664,416,357
Investments		1,529,854,830
Pooled Assets Held on Behalf of Component Units		(101,820,881)
	\$	<u>2,093,591,578</u>

A. Deposits with Financial Institutions

Deposits include certificates of deposits and demand deposit accounts, including certain interest bearing demand deposit accounts. The custodial credit risk for deposits is the risk that in the event of a bank failure, the USG's deposits may not be recovered. Funds belonging to the State of Georgia (and thus the USG) cannot be placed in a depository paying interest longer than ten days without the depository providing a surety bond to the State. In lieu of a surety bond, the depository may pledge as collateral any one or more of the following securities as enumerated in the Official Code of Georgia Annotated (O.C.G.A.) § 50-17-59:

1. Bonds, bills, notes, certificates of indebtedness, or other direct obligations of the United States or of the State of Georgia.
2. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia.
3. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose.

4. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia.
5. Bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association and the Federal National Mortgage Association.
6. Guarantee or insurance of accounts provided by the Federal Deposit Insurance Corporation. The Treasurer of the Board of Regents is responsible for all details relative to furnishing the required depository protection for all units of the University System of Georgia.

At June 30, 2017, the bank balances of the USG's deposits totaled \$709,516,362. This balance includes deposits in Fiduciary funds as these balances are not separable from the holdings of the USG. Of these deposits, \$45,455,057 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	3,528,818
Uninsured and collateralized with securities held by the pledging financial institution		6,525,979
Uninsured and collateralized with securities held by the pledging financial institution's trust departments or agents, but not in the Institution's name		35,400,260
		<hr/>
Total deposits exposed to custodial credit risk	\$	<u>45,455,057</u>

B. Investments

The USG maintains an investment policy which fosters sound and prudent judgment in the management of assets to ensure safety of capital consistent with the fiduciary responsibility it has to the citizens of Georgia and which conforms to Board of Regents investment policy. All investments are consistent with donor intent, Board of Regents policy and applicable federal and state laws.

GASB Statement No. 72, *Fair Value Measurements and Application*, which requires fair value measurement be classified and disclosed in one of the following three categories ("Fair Value Hierarchy"):

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 - Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1; inputs include comparable market transactions, pricing of similar instruments, values reported by the administrator, and pricing expectations based on internal modeling. Fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investments.

The following table summarizes the valuation of the USG's investments measured at fair value on a recurring basis and at net asset value as of June 30, 2017.

	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Investment type:				
Debt Securities				
U.S. Treasuries	\$ 60,226,971	\$ 59,882,857	\$ 344,114	
U.S. Agencies				
Explicitly Guaranteed	213,610,457	290,134	213,320,323	
Implicitly Guaranteed	456,020,548	46,292,207	409,728,341	
Bond Securities	12,973,735	12,973,735		
Corporate Debt	720,018	11,380	708,638	
Guaranteed Investment Contracts	446,342			\$ 446,342
Money Market Mutual Funds	7,923,737	7,923,737		
Municipal Obligations	1,025,729	1,025,729		
Mutual Bond Funds	84,764,956	84,764,956		
Other Investments				
Equity Mutual Funds - Domestic	105,126,884	105,126,884		
Equity Mutual Funds - International	43,262,105	43,262,105		
Equity Securities - Domestic	125,475,231	125,475,225		6
Equity Securities - International	1,011,664	801,529	210,135	
Real Estate Held for Investment Purposes	6,315,844			6,315,844
Real Estate Investment Trusts	1,313,078	1,313,078		
	1,120,217,299	\$ 489,143,556	\$ 624,311,551	\$ 6,762,192
Investment Pools				
Office of the State Treasurer				
Georgia Fund 1	402,689,649			
Georgia Extended Asset Pool	6,947,882			
Total Investments	\$ 1,529,854,830			

Investments classified in Level 1 are valued using prices quoted in active markets for those securities.

Investments classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investments classified in Level 3 includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investment in this category have been estimated using the net asset value of the USG's ownership interest in partners' capital. These investments are less liquid and, generally, cannot be redeemed with the funds through normal redemption procedures. Distributions from this fund will be received as the underlying investments of the fund are liquidated.

The USG holds positions in the Georgia Fund 1 and Georgia Extended Asset Pool investment pools managed by the Georgia Office of the State Treasurer. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The USG does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Board of Regents Pooled Investment Program

The USG serves as fiscal agent for various units of the University System of Georgia and affiliated organizations. The USG pools the monies of these organizations with the USG's monies for investment purposes. The investment pool is not registered with the SEC as an investment company. The fair value of the investments is determined daily. The pool does not issue shares. Each participant is allocated a pro rata share of each pooled investment fund balance at fair value along with a pro rata share of the pooled fund's investment returns.

The USG maintains investment policy guidelines for each pooled investment fund that is offered to qualified University System participants. These policies are intended to foster sound and prudent responsibility each institution has to the citizens of Georgia and which conforms to the Board of Regents investment policy. All investments must be consistent with donor intent, Board of Regents policy, and applicable Federal and state laws. Units of the University System of Georgia and their affiliated organizations may participate in the Pooled Investment Fund program. The overall character of the pooled fund portfolio should be one of above average quality, possessing at most an average degree of investment risk.

The Board of Regents' pooled investment fund options are described below.

1. Short-Term Fund

The Short-Term Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides a current return and stability of principal while affording a means of overnight liquidity for projected cash needs. Investments are in securities allowed under O.C.G.A. § 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between daily and three years, and the fund will typically have an overall average duration of $\frac{3}{4}$ - 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the Short-Term Fund at June 30, 2017 was \$509,546,373.

2. Legal Fund

The Legal Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund provides an opportunity for greater return and modest principal growth to the extent possible with the securities allowed under O.C.G.A. § 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between five and ten years, with a maximum of thirty years for any individual investment. The overall character of the portfolio is Agency quality, possessing a minimal degree of financial risk. The market value of the Legal Fund at June 30, 2017 was \$11,894,009.

3. Balanced Income Fund

The Balanced Income Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is designed to be a vehicle to invest funds that are not subject to the state regulations concerning investing in equities. This pool is appropriate for investing longer term funds that require a more conservative investment strategy. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents.

The equity allocation shall range between 30% and 40%, with a target of 35% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 60% and 70%, with a target of 65% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Balanced Income Fund at June 30, 2017 was \$18,194,442.

4. Total Return Fund

The Total Return Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is another pool designed to be a vehicle to invest funds that are not subject to state regulations concerning investing in equities. This pool offers greater overall equity exposure and is appropriate for investing longer term funds such as endowments. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents.

The equity allocation shall range between 60% and 70%, with a target of 65% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 30% and 40%, with a target of 35% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Total Return Fund at June 30, 2017 was \$12,891,262.

5. Diversified Fund

The Diversified Fund is available to both University System of Georgia institutions and their affiliated organizations. The Fund is designed to provide improved return characteristics with reduced volatility through greater diversification. This pool is appropriate for investing longer term funds such as endowments. Permitted investments in the fund may include domestic, international and emerging market equities, domestic fixed income and global fixed income.

The equity allocation shall range between 50% and 75% of the portfolio, with a target of 65% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 25% and 50%, with a target of 35% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Diversified Fund at June 30, 2017 was \$178,057,658.

6. Diversified Fund for Foundations

The Diversified Fund for Foundations is available only to University System of Georgia affiliated organizations. Like the Diversified Fund, the fund is designed to provide improved return characteristics with reduced volatility through greater diversification and is appropriate for investing longer term funds such as endowments. Investments in the fund may include domestic, international and emerging market equities, domestic and global investment grade and non-investment grade fixed income and liquid alternative investments.

The equity allocation shall range between 40% and 75% of the portfolio, with a target of 65% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 10% and 40% of the portfolio, with a target of 20% of the total portfolio. The alternatives portion of the portfolio shall range between 0% and 30% of the portfolio, with a target of 15% of the total portfolio. Cash reserves and invested income are invested at all times in the highest quality par stable (A1, P1) institutional money market funds, or other high quality short term instruments. The market value of the Diversified Fund for Foundations at June 30, 2017 was \$53,857,466.

Condensed financial information for the Board of Regents Pooled Investment Program is as follows:

Statement of Net Position - June 30, 2017

Assets

Pooled Investments*	\$ 784,030,972
Receivables	410,238
	<u>\$ 784,441,210</u>

Distribution of Net Position

USG Account Balance	\$ 634,490,541
Component Units & Affiliated Organizations	149,950,669
	<u>\$ 784,441,210</u>

* Pooled Investments in the Short Term Investment Fund of \$509,546,373 are reported as Cash and Cash Equivalents on the Statements of Net Position and Fiduciary Net Position

Statement of Changes in Net Position - June 30, 2017

Market Value Plus Accrued Income on July 1, 2016	\$ 741,307,296
Receipts	141,413,134
Disbursements	
Administrative Expenses	(790,953)
Distributions	(128,518,205)
Investment Results	
Income Collected and Accrued	12,179,876
Realized Gain/Loss on Assets Sold	1,618,287
Change in Unrealized Gain/Loss	18,105,451
Amortization (Short-Term Fund)	(873,676)
Market Value Plus Accrued Income on June 30, 2017	<u>\$ 784,441,210</u>

Office of the State Treasurer Investment Pools

The Georgia Fund 1 Investment Pool, managed by the Office of the State Treasurer, is not registered with the Securities and Exchange Commission as an investment company, and the State does not consider Georgia Fund 1 to be a 2a7-like pool. This investment is valued at the pool's share price, \$1 per share. The Georgia Fund 1 Investment Pool is an AA+ rated investment pool by Standard and Poor's. The Weighted Average Maturity of the Fund is 26 days.

The Georgia Extended Asset Pool, managed by the Office of the State Treasurer, is not registered with the Securities and Exchange Commission as an investment company. Net Asset Value (NAV) is calculated daily to determine current share price, which was \$1.99 at June 30, 2017. The Georgia Extended Asset Pool is an AA+f rated investment pool by Standard and Poor's. The Weighted Average Maturity of the Fund is .09 years.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The USG's policy for managing interest rate risk attempts to match investments with expected cash requirements.

	Fair Value	Less Than 3 Months	4-12 Months	1-5 Years	6-10 Years	More Than 10 Years
Investment type:						
Debt Securities						
U.S. Treasuries	\$ 60,226,971	\$ 30,231,018	\$ 269,284	\$ 26,209,424	\$ 3,517,245	
U.S. Agencies						
Explicitly Guaranteed	213,610,457	148,147,767	18,389,104	16,287,076		\$ 30,786,510
Implicitly Guaranteed	456,020,548	248,287,259	76,087,360	74,571,067	13,870,260	43,204,602
Bond Securities	12,973,735			347,510	10,025,017	2,601,208
Corporate Debt	720,018	11,383	97,548	431,855	179,232	
Guaranteed Investment Contracts	446,342					446,342
Money Market Mutual Funds	7,923,737	7,923,737				
Municipal Obligations	1,025,729	5,000		435,970	114,766	469,993
Mutual Bond Funds	84,764,956	80,572	20,337	4,390,659	42,700,255	37,573,133
	837,712,493	\$ 434,686,736	\$ 94,863,633	\$ 122,673,561	\$ 70,406,775	\$ 115,081,788
Other Investments						
Equity Mutual Funds - Domestic	105,126,884					
Equity Mutual Funds - International	43,262,105					
Equity Securities - Domestic	125,475,231					
Equity Securities - International	1,011,664					
Real Estate Held for Investment Purposes	6,315,844					
Real Estate Investment Trusts	1,313,078					
Investment Pools						
Office of the State Treasurer						
Georgia Fund 1	402,689,649					
Georgia Extended Asset Pool	6,947,882					
Total Investments	\$ 1,529,854,830					

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the USG will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The USG's policy for managing custodial credit risk is:

1. The USG has appointed a federally regulated banking institution as custodian. The custodian performs its duties to the standards of professional custodian and is liable to the USG for claims, losses, liabilities and expenses arising from its failure to exercise ordinary care, its willful misconduct, or its failure to otherwise act in accordance with the contract.
2. All securities transactions are to be settled on a delivery vs. payment basis through an approved depository institution such as the Depository Trust Company or the Federal Reserve.
3. Repurchase agreements are to be collateralized by United States Treasury securities at 102% of the market value of the investment at all times.

At June 30, 2017, \$10,191,691 was uninsured and held by the investment's counterparty's trust department or agent, but not in the USG's name. Of this balance, \$1,368,744 is related to the Deferred Compensation Fiduciary Fund.

Credit Quality Risk

Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The USG's policy for managing credit quality risk is contained in the investment policy guidelines for the various pooled investment funds, colleges, universities, and foundations:

1. In the Short-Term Fund and Legal Fund, all debt issues must be eligible investments under O.C.G.A § 50-17-59 and 50-17-63. Other investment portfolios of debt securities funds also must meet the eligible investment criteria under the same code section.
2. In the Balanced Income Fund, Total Return Fund, and Diversified Fund, total fixed income portfolios should have an average credit quality rating of at least A. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short-term debt instruments rated at least AA+.
3. In the Diversified Fund for Foundations, fixed income investments include investment grade and high yield domestic bonds, dollar-and non-dollar denominated global bonds, and emerging market bonds. Overnight investments shall be limited to high quality institutional money market mutual funds rated A1, P1 or other high quality short-term debt instruments rated at least AA+.

The investments subject to credit quality risk are reflected below:

	Fair Value	AAA	AA	A	BBB	BB	B	Unrated
Related Debt Investments								
U. S. Agency Securities	\$ 456,020,548	\$ 600,885	\$ 1,849,638					\$ 453,570,025
Bond Securities	12,973,735							12,973,735
Corporate Debt	720,018		289,849	\$ 204,696	\$ 214,090			11,383
Guaranteed Investment Contracts	446,342							446,342
Money Market Mutual Fund	7,923,737		2,102,657					5,821,080
Municipal Obligation	1,025,729	328,238	359,428	312,831		\$ 25,232		
Mutual Bond Fund	84,764,956	296,117	543,940	30,768	1,090,414	11,795	\$ 11,681	82,780,241
	<u>\$ 563,875,065</u>	<u>\$ 1,225,240</u>	<u>\$ 5,145,512</u>	<u>\$ 548,295</u>	<u>\$ 1,304,504</u>	<u>\$ 37,027</u>	<u>\$ 11,681</u>	<u>\$ 555,602,806</u>

The Early Retirement Plan Fiduciary Fund has \$12,190,357 in bond securities and \$3,407,163 in money market mutual funds (Cash and Cash Equivalents on the Statement of Net Position). Of these investments, \$2,043,331 of the money market mutual funds are rated AA, while the remaining investments are not rated.

The Deferred Compensation Fiduciary Fund has \$1,029,602 in mutual bond funds, \$446,342 in guaranteed investment contracts, and \$339,142 in money market mutual funds. These investment are not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The USG's policy requires diversification of investments to reduce overall portfolio risk while maintaining market rates of return.

At June 30, 2017, approximately 28%, 11%, 11%, 8%, and 7% of the business-type activity and Board of Regents Retiree Health Benefit Fiduciary Fund investments were investments in Local Government Investment Pool (Georgia Fund 1), Government National Mortgage Assn. notes, Federal National Mortgage Assoc. pool, Federal Home Loan Mortgage Corp. notes, and Federal National Mortgage Assoc. notes, respectively.

At June 30, 2017, approximately 19%, 17%, 6%, 5% and 5% of the Deferred Compensation Fiduciary Fund investments were investments in Fidelity Contrafund Fund, Fidelity Balanced Fund, TIAA traditional annuity, TIAA Real Estate Fund, and Fidelity Freedom 2020 Fund, respectively.

See Note 14 - Retirement Plans for concentration of credit risk for the Early Retirement Plan.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Exposure to foreign currency credit risk is limited to funds maintained in foreign accounts for the Study Abroad Program.

Currency	Short-Term
British Pound	\$ 14,910
European Euro	32,774
Total securities subject to foreign currency risk	<u>\$ 47,684</u>

Note 3 Accounts Receivable

Accounts receivable consisted of the following at June 30, 2017:

	Business Type Activities
Student Tuition and Fees	\$ 64,634,551
Auxiliary Enterprises and Other Operating Activities	84,766,229
Federal Financial Assistance	83,511,949
Georgia Student Finance Commission	14,913,317
Georgia State Financing and Investment Commission	18,550,258
Due from Affiliated Organizations	15,569,740
Due from Component Units	192,166,154
Other	107,850,265
	<u>581,962,463</u>
Less: Allowance for Doubtful Accounts	<u>34,748,933</u>
Net Accounts Receivable	<u>\$ 547,213,530</u>

Note 4 Inventories

Inventories consisted of the following at June 30, 2017:

Consumable Supplies	\$ 4,931,104
Merchandise for Resale	18,721,873
	<hr/>
Total	<u>\$ 23,652,977</u>

Note 5 Notes and Loans Receivable

The Federal Perkins Loan Program (the Program) comprises substantially all of the loans receivable at June 30, 2017. The Program provides for cancellation of a loan at rates of 10% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The Federal government reimburses the USG for amounts canceled under these provisions. As the USG determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The USG has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2017, the allowance for uncollectible loans was \$2,175,254.

Note 6 Capital Assets

Changes in capital assets for the year ended June 30, 2017 are shown below:

	(Restated) Balance July 1, 2016	Special Item and Other Transfers	Additions	Reductions	Balance June 30, 2017
Capital Assets, Not Being Depreciated:					
Land	\$ 399,205,599	\$ (6,156,151)	\$ 12,264,322	\$ 89,739	\$ 405,224,031
Capitalized Collections	49,224,934	94,379	2,129,122		51,448,435
Construction Work-in-Progress	238,562,157	51,871	183,145,309	199,140,370	222,618,967
Software Development-in-Progress	—		9,521,221		9,521,221
Total Capital Assets Not Being Depreciated	<u>686,992,690</u>	<u>(6,009,901)</u>	<u>207,059,974</u>	<u>199,230,109</u>	<u>688,812,654</u>
Capital Assets, Being Depreciated/Amortized:					
Infrastructure	363,828,172		20,000,338		383,828,510
Building and Building Improvements	11,408,922,246	(1,389,759)	541,404,703	7,805,417	11,941,131,773
Facilities and Other Improvements	436,437,064		25,120,143	707,460	460,849,747
Equipment	1,589,593,408	(120,650)	129,716,775	62,415,273	1,656,774,260
Library Collections	894,571,926		32,439,612	4,498,919	922,512,619
Capitalized Collections	6,739,698	(94,379)	137,500	1,800	6,781,019
Software	42,358,439		23,830,375		66,188,814
Total Capital Assets Being Depreciated/Amortized	<u>14,742,450,953</u>	<u>(1,604,788)</u>	<u>772,649,446</u>	<u>75,428,869</u>	<u>15,438,066,742</u>
Less: Accumulated Depreciation/Amortization					
Infrastructure	140,607,524	222,700	11,427,462	81,825	152,175,861
Building and Building Improvements	3,551,589,932	(520,829)	303,853,007	6,959,529	3,847,962,581
Facilities and Other Improvements	169,292,280	(222,699)	15,406,734	481,207	183,995,108
Equipment	1,143,135,784	180,015	119,015,571	56,213,896	1,206,117,474
Library Collections	719,471,179	(1)	32,682,937	4,559,291	747,594,824
Capitalized Collections	1,339,521		171,309		1,510,830
Software	21,355,162		3,259,494		24,614,656
Total Accumulated Depreciation/Amortization	<u>5,746,791,382</u>	<u>(340,814)</u>	<u>485,816,514</u>	<u>68,295,748</u>	<u>6,163,971,334</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>8,995,659,571</u>	<u>(1,263,974)</u>	<u>286,832,932</u>	<u>7,133,121</u>	<u>9,274,095,408</u>
Capital Assets, net	<u>\$ 9,682,652,261</u>	<u>\$ (7,273,875)</u>	<u>\$ 493,892,906</u>	<u>\$ 206,363,230</u>	<u>\$ 9,962,908,062</u>

For projects managed by GSFIC, GSFIC retains construction-in-progress on its books throughout the construction period and transfers the entire project to the USG when complete. For projects managed by the USG, the USG retains construction-in-progress on its books and is reimbursed by GSFIC. For the year ended June 30, 2017, GSFIC transferred capital additions from GSFIC managed projects valued at \$131,962,266 to the USG. In addition, at June 30, 2017, GSFIC had construction in progress of approximately \$169,452,503 for incomplete GSFIC managed projects for the USG.

Note 7 Advances (Including Tuition and Fees)

Advances, including tuition and fees, consisted of the following at June 30, 2017:

	Current Liabilities	Non-Current Liabilities
Prepaid Tuition and Fees	\$ 132,705,546	
Research	52,288,510	
Other - Advances	41,268,737	\$ 2,295
Totals	<u>\$ 226,262,793</u>	<u>\$ 2,295</u>

Note 8 Long-Term Liabilities

Changes in long-term liability for the year ended June 30, 2017 was as follows:

	(Restated) Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Current Portion
Lease Purchase Obligations	<u>\$3,106,081,566</u>	<u>\$ 41,121,892</u>	<u>\$ 104,284,400</u>	<u>\$3,042,919,058</u>	<u>\$ 93,920,624</u>
Other Liabilities					
Compensated Absences	210,018,175	163,973,284	153,755,418	220,236,041	142,933,292
Net Pension Liability	2,331,730,203	828,528,137	13,055,542	3,147,202,798	
Notes and Loans Payable	10,184,440		680,144	9,504,296	1,408,512
Claims and Judgments	4,641,934	381,462	2,333,003	2,690,393	903,825
Other Post Employment Benefits Obligation	2,355,867,771	359,782,026	99,583,903	2,616,065,894	
Pollution Remediation	1,206,837	590,834	569,241	1,228,430	618,915
Total	<u>4,913,649,360</u>	<u>1,353,255,743</u>	<u>269,977,251</u>	<u>5,996,927,852</u>	<u>145,864,544</u>
Total Long-Term Obligations	<u>\$8,019,730,926</u>	<u>\$1,394,377,635</u>	<u>\$ 374,261,651</u>	<u>\$9,039,846,910</u>	<u>\$ 239,785,168</u>

Notes and Loans Payable

The USG entered into a notes payable to secure Energy Performance Contracts. The interest rate for the notes vary between 2.003% to 2.04% and matures during fiscal year 2024. Below is the annual debt service related to the outstanding notes payable at June 30, 2017.

	Principal	Interest
Year Ending June 30:		
2018	\$ 1,408,512	\$ 185,183
2019	1,437,861	156,349
2020	1,467,287	126,923
2021	1,497,313	96,897
2022	1,527,954	66,256
2023 through 2027	2,165,369	39,620
	<u>\$ 9,504,296</u>	<u>\$ 671,228</u>

Pollution Remediation

Pollution remediation obligations reflect estimates that have the potential to change due to such items as price increases or reductions, new technology, or changes in applicable laws or regulations.

The University of Georgia is responsible for pollution remediation at the Milledge Avenue landfill site. USG has recorded a liability related to this pollution remediation in the amount of \$784,715. The liability was determined using a five-year budget estimated provided by Brown and Caldwell. The University of Georgia does not anticipate any changes to the expected remediation outlay. There are no expected recoveries that have reduced this liability.

Georgia Institute of Technology is responsible for pollution remediation at all Institute sites including, but not limited to ground contamination, storage/treatment/disposal of hazardous materials, and asbestos abatement. USG has recorded a liability related to this pollution remediation in the amount of \$443,715. There are no expected recoveries that have reduced this liability.

Note 9 Service Concessions Arrangements

Kennesaw State University (KSU)

At June 30, 2017, Kennesaw State University (KSU) was a participant in three Service Concession Arrangements.

In August 2001, KSU entered into an agreement with KSUF whereby Kennesaw State University Foundation, Inc. (KSUF) will operate and collect revenues for housing operations from students. KSUF is required to operate the residence hall ("University Place") in accordance with a contractual agreement between the two parties. Under the terms of the agreement, Institution received no funds upfront from KSUF, but will take full ownership of the residence hall at the end of the operating agreement in June, 2031.

In August 2003, KSU entered into an agreement with KSUF whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the housing ("University Village") in accordance with a contractual agreement between the parties. Under the terms of the agreement, Institution received no funds upfront from KSUF, but will take full ownership of the housing at the end of the operating agreement in June 2034.

In August 2007, KSU entered into an agreement with KSUF whereby KSUF will operate and collect revenues for housing operations from students. KSUF is required to operate the housing ("University Suites") in accordance with a contractual agreement between the parties. Under the terms of the agreement, Institution received no funds upfront from KSUF, but will take full ownership of the housing at the end of the operating agreement in June 2037.

At June 30, 2017, Institution reports the three housing residences as capital assets with a net carrying value of \$63,555,727. For fiscal year 2017, Institution reported a remaining deferred inflow of resources of \$63,555,727 and amortized revenue of \$3,582,191. As part of the contractual agreement, KSUF is responsible for insuring each of the three residence halls and for providing maintenance services. Institution has no reportable future obligation for these services.

Georgia Gwinnett College (GGC)

On May 13, 2014, GGC entered into an agreement with Aramark Education Services, LLC (Aramark), whereby Aramark will operate food services operations from service participants. The agreement is renewable for each year for ten years. On May 13, 2017, the contract renewal (amendment) included several changes to the financial commitment.

Aramark is required to operate the food service facilities in accordance with the contractual agreement. The contract includes a period fixed fee ("Annual Fixed Fee") payable to Aramark in the amount of \$5.3 million per operating year. In the event that the amount paid to or retained by Aramark is less than the Annual Fixed Fee of \$5.3 million, then GGC shall remit the amount equivalent to the difference of the Annual Fixed Fee minus Actual Operating Retainage. In the event that the actual operation year retainage is greater than 199.9% (upper threshold amount) of the Annual Fixed Fee, then Aramark shall remit the difference of the Annual Fixed Fee minus the upper threshold amount to GGC. If the actual operation year retainage is more than the Annual Fixed Fee but less than the 199.9% of the Annual Fixed Fee, then neither party shall owe anything to the other. GGC and Aramark will review the annual Fixed Fee prior to the commencement of each Operating Year and a revised Annual Fixed Fee shall be set forth in a written supplemental contract.

Under the terms of the contract Aramark committed a lump sum upfront payment of \$360,000. The amortized revenue recorded related to the lump sum payment in fiscal year 2017 was \$36,000 and the remaining deferred inflow was \$252,000.

In addition, GGC was to receive three yearly installment payments of \$500,000 from Aramark, the first payment was received in fiscal year 2015 and the second payment was received in fiscal year 2016. In fiscal year 2017, the contract amendment called for a return of any unamortized installment payments and that the 3rd installment payment of \$500,000 not to be made. The unamortized installment payments of \$775,641 was returned to Aramark in fiscal year 2017. The amortized revenue recorded in fiscal year 2017 for the installment payments was \$68,803 and the remaining deferred inflow is \$0.

Under terms of the original agreement Aramark also committed \$5,250,000 in dining facility renovations. In fiscal year 2017, the contract amendment called for a return of outstanding unamortized amounts of \$1,615,483 and for a reduction of \$704,805 to deferred inflows for uncollected funds. The amortized revenue recorded in fiscal year 2017 for the remaining construction commitment was \$326,438 leaving deferred inflow balance of \$2,285,067.

For Fiscal Year 2017, GGC reported a total remaining Deferred Inflow of Resources of \$2,537,067 related to the service concession arrangement.

University System Office (USO)

During fiscal year ended June 30, 2015, the Board of Regents of the University System of Georgia (BOR) entered into a Service Concession Arrangement (SCA) with Corvias Campus Living-USG, LLC, whereby Corvias Campus Living-USG, LLC, manages, maintains and operates certain existing student housing resources on the campuses of nine institutions: Abraham Baldwin Agricultural College; Armstrong State University; Augusta University; College of Coastal Georgia; Columbus State University; Dalton State College; East Georgia State College; Georgia State University; and the University of North Georgia.

Pursuant to the contractual stipulations of this SCA, whereby the BOR and Corvias Campus Living-USG, LLC, are the "parties" participating in this agreement, as of May 14, 2015, the institutions noted above transferred the housing resources covered by this SCA, along with associated capital lease obligations to the University System Office in fiscal year 2015 through Special Item Transfer. In accordance with the SCA, in May 2015, Corvias Campus Living-USG, LLC, provided \$311,561,781 to the BOR to retire the capital lease obligations transferred to the University System Office. These lease obligations were subsequently retired using the funds provided. The housing assets are reported in Note 6 in the Building and Building Improvements category. The \$311,561,781 received from Corvias Campus Living-USG, LLC, was reported as a Deferred Inflow of Resources in fiscal year 2015. The SCA is for 65 years (780 months) to end in June 2080. The University System Office amortized \$4,793,258 of this Deferred Inflow in June 2017, leaving a remaining Deferred Inflow of Resources balance of \$301,575,826 at June 30, 2017.

In addition to the existing student housing arrangement, Corvias Campus Living-USG, LLC designs and constructs authorized new housing projects that, once constructed, are similarly managed, maintained and operated on seven of the nine campuses with existing student housing resources. Two of these projects were completed within fiscal year 2016 and their fair market values were capitalized increasing Capital Assets by \$10,650,907 for the College of Coastal Georgia student housing project and by \$11,989,213 for the student housing project on the East Georgia State College campus. In fiscal year 2017, five additional housing projects were completed and their fair market values were capitalized increasing Capital Assets by \$154,415,645. The five projects included Augusta University for \$46,621,975; Columbus State University for \$18,945,689; Dalton State College for \$15,784,387; Georgia State University for \$50,272,766; and University of North Georgia for \$22,790,828. In addition, final construction costs were added to the College of Coastal Georgia housing project in the amount of \$224,619 and to East Georgia State College housing project in the amount of \$245,915 during fiscal year 2017. These additions are reported in Note 6 in the Building and Building Improvements category. A Deferred Inflow of Resources was recorded as the offset to the Capital Asset additions. The Deferred Inflows associated with these new projects are being amortized over the remaining life of the SCA. The University System Office amortized \$2,579,103 of this Deferred Inflow in June 2017 related to these seven projects, leaving a remaining Deferred Inflow of Resources balance of \$174,933,329 at June 30, 2017.

Also part of this SCA, and beginning in fiscal year 2016, the University System Office receives \$8,000,000 in Ground Rent and \$500,000 in Supplemental Capital Repair and Replacement funds each year for the next ten years, with each amount escalating by 3% annually. The University System Office recorded Accounts Receivable and Deferred Inflow of Resources in the amount of \$73,232,489 representing the present value of this revenue stream based on the agreement terms and will amortize the Deferred Inflows over a ten-year period. For the year ended June 30, 2017, the University System Office amortized \$7,895,859 and recognized \$859,141 in associated interest income, leaving a Deferred Inflow balance of \$57,264,455 as of June 30, 2017.

The University System Office also receives retained services funds each year as a percentage of gross revenues for that year.

The University System Office has no reportable future obligation for these services.

Note 10 Net Position

The breakdown of business type activity net position for the USG fund at June 30, 2017 is as follows:

NET POSITION

Net Investment in Capital Assets	\$ 6,627,744,225
Restricted for	
Nonexpendable	
Permanent Endowment	193,258,875
Expendable	
Sponsored and Other Organized Activities	145,781,688
Federal Loans	40,277,387
Institutional Loans	25,883,670
Term Endowments	1,537,322
Quasi-Endowments	19,051,049
Capital Projects	16,754,205
Sub-Total	249,285,321
Unrestricted	
Auxiliary Enterprises Operations	(138,490,342)
Auxiliary Enterprises Renewals & Replacement Reserve	212,684,980
Reserve for Encumbrances	450,509,475
Reserve for Inventory	3,824,247
Capital Liability Reserve Fund	20,394,870
Health Insurance Reserve	168,650,084
Other Unrestricted	(4,695,267,623)
Sub-Total	(3,977,694,309)
Total Net Position	\$ 3,092,594,112

Note 11 Endowments

Donor Restricted Endowments

Investments of the USG's endowment funds are pooled, unless required to be separately invested by the donor. For USG controlled, donor-restricted endowments, where the donor has not provided specific instructions, the Board of Regents permits Institutions to develop policies for authorizing and spending realized and unrealized endowment income and appreciation as they determined to be prudent. Realized and unrealized appreciation in excess of the amount budgeted for current spending is retained by the endowments. Current year net appreciation for the endowment accounts was \$8,646,573 and is reflected as expendable restricted net position.

For endowment funds where the donor has not provided specific instructions, investment return of the USG's endowment funds is predicated on the total return concept. Annual payouts from the USG's endowment funds are based on a spending policy which limits spending between 3.0% and 6.0% of endowment principal market value. To the extent that the total return for the current year exceeds the payout, the excess is added to principal. If current year earnings do not meet the payout requirements, the USG uses accumulated income and appreciation from restricted expendable net asset endowment balances to make up the difference.

For endowment funds where the donor has not provided specific instructions, investment return of the USG's endowment funds is predicated under classical trust doctrines. Unless the donor has stipulated otherwise, capital gains and losses are accounted for as part of the endowment principal and are not available for expenditure.

For the current year, the USG did not incur investment losses that exceeded the related endowment's available accumulated income and net appreciation.

Note 12 Significant Commitments

See the Net Position note for amounts reserved for outstanding encumbrances at June 30, 2017. In addition to these encumbrances, the USG had other significant unearned outstanding construction or renovation contracts in the amount of \$90,508,726 executed as of June 30, 2017. This amount is not reflected in the accompanying basic financial statements.

Note 13 Leases

Lease Obligations

The USG is obligated under various capital and operating lease agreements for the acquisition or use of real property and equipment.

Capital Leases

The USG acquires certain real property and equipment through multi-year capital leases with varying terms and options. In accordance with O.C.G.A. § 50-5-64, these agreements shall terminate absolutely and without further obligation at the close of the fiscal year in which it was executed and at the close of each succeeding fiscal year for which it may be renewed. These agreements may be renewed only by a positive action taken by the USG. In addition, these agreements shall terminate if the State does not provide adequate funding, but that is considered a remote possibility. The USG's principal and interest expenditures related to capital leases for fiscal year 2017 were \$83,895,263 and \$162,420,374, respectively.

The USG has \$2,337,502,183 in outstanding lease obligations due to component units. Component units have \$2,338,291,693 in investment in capital lease receivables due from the USG. The \$789,510 difference in the USG's lease obligation and the component units' capital lease receivable is related to different reporting periods and other timing differences.

The USG has \$573,666,205 in outstanding lease obligations due to affiliated organizations.

The following is a summary of the carrying values of assets held under capital lease at June 30, 2017:

Description	Gross Amount	Less: Accumulated Depreciation	Net, Assets Held Under Capital Lease at June 30, 2017	Outstanding Balances per Lease Schedules at June 30, 2017
	(+)	(-)	(=)	
Leased Land & Land Improvements	\$ 49,550,118		\$ 49,550,118	\$ 12,692,034
Leased Infrastructure	39,705,000	\$ 13,579,110	26,125,890	34,803,183
Leased Equipment	28,872,028	13,504,128	15,367,900	20,581,996
Leased Buildings & Building Improvements	3,436,005,200	897,700,181	2,538,305,019	2,964,510,320
Leased Facilities and Other Improvements	6,530,004	2,757,581	3,772,423	5,368,935
Total Assets Held Under Capital Lease	<u>\$ 3,560,662,350</u>	<u>\$ 927,541,000</u>	<u>\$ 2,633,121,350</u>	<u>\$ 3,037,956,468</u>

Certain capital leases provide for renewal and/or purchase options. Generally purchase options at bargain prices of one dollar are exercisable at the expiration of the lease terms.

Operating Leases

The USG leases land, facilities, office and computer equipment, and other assets. Some of these leases are considered for accounting purposes to be operating leases. Although lease terms vary, many leases are subject to appropriation from the General Assembly to continue the obligation. Other leases generally contain provisions that, at the expiration date of the original term of the lease, the USG has the option of renewing the lease on a year-to-year basis. Leases renewed yearly for a specified time period, i.e. lease expires at 12 months and must be renewed for the next year, may not meet the qualification as an operating lease. The USG's operating lease expense for fiscal 2017 was \$45,737,484, which includes payments to related parties of \$23,394,792. The USG is obligated to pay these related parties a total of \$24,557,961 in the next fiscal year.

Future commitments for capital leases and for non-cancellable operating leases having remaining terms in excess of one year as of June 30, 2017, are as follows:

	Real Property and Equipment	
	Capital Leases	Operating Leases
Year Ending June 30:		
2018	\$ 266,093,403	\$ 44,339,204
2019	266,098,356	51,833,932
2020	265,567,918	50,492,520
2021	266,629,113	45,688,355
2022	267,810,240	41,915,890
2023 through 2027	1,342,012,159	166,617,157
2028 through 2032	1,298,650,986	109,640,668
2033 through 2037	946,284,129	22,216,018
2038 through 2042	414,753,930	1,680,676
2043 through 2047	16,779,696	663,580
2048 through 2052	3,869,257	663,580
2053 through 2057		132,716
Total minimum lease payments	5,354,549,187	<u>\$ 535,884,296</u>
Less: Interest	1,925,193,003	
Less: Executory costs	386,437,126	
Principal Outstanding	<u>\$ 3,042,919,058</u>	

Note 14. Retirement Plans

The USG participates in various retirement plans administered by the State of Georgia under two major retirement systems: Teachers Retirement System of Georgia (TRS) and Employees' Retirement System of Georgia (ERS). These two systems issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices.

The significant retirement plans that the USG participates in are described below. More detailed information can be found in the plan agreements and related legislation. Each plan, including benefit and contribution provisions, was established and can be amended by State law.

A. Teachers Retirement System of Georgia and Employees' Retirement System of Georgia

Summary of Significant Accounting Policies

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and Employees' Retirement System (ERS), additions to/deductions for TRS's and ERS's fiduciary net position have been determined on the same basis as they are reported by TRS and ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Teachers Retirement System

Plan description

All teachers of the USG as defined in O.C.G.A. § 47-3-60 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at trsga.com/publications.

Benefits Provided

TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Contributions

Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6% of their annual pay during fiscal year 2017. USG's contractually required contribution rate for the year ended June 30, 2017 was 14.27% of annual the USG payroll. The USG's contributions to TRS totaled \$246,122,567 for the year ended June 30, 2017.

General Information about the Employees' Retirement System

Plan description

ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at ers.ga.gov/formspubs/formspubs.html.

Benefits provided

The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. USG's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2017 was 24.69% of annual covered payroll for old and new plan members and 21.69% for GSEPS members. USG's contributions to ERS totaled \$2,975,529 for the year ended June 30, 2017. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the USG reported a liability for its proportionate share of the net pension liability for TRS and ERS. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2015. An expected total pension liability as of June 30, 2016 was determined using standard roll-forward techniques. The USG's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2016. At June 30, 2016, the USG's TRS proportion was 14.868689%, which was an increase of 0.128822% from its proportion measured as of June 30, 2015. At June 30, 2016, the USG's ERS proportion was 0.441431%, which was a increase of 0.040653% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the USG recognized pension expense of \$343,998,712 for TRS and \$3,491,734 for ERS. At June 30, 2017, the USG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,698,618	\$ 15,169,187		\$ 48,226
Changes of assumptions	79,507,342		\$ 176,870	
Net difference between projected and actual earnings on pension plan investments	388,061,039		2,123,067	
Changes in proportion and differences between contributions and proportionate share of contributions	91,183,617	38,592,791	1,640,149	557,712
Contributions subsequent to the measurement date	246,122,567		2,975,529	
Total	<u>\$ 850,573,183</u>	<u>\$ 53,761,978</u>	<u>\$ 6,915,615</u>	<u>\$ 605,938</u>

The USG's contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	TRS	ERS
2018	\$ 75,462,894	\$ 1,072,782
2019	\$ 75,462,746	\$ 407,148
2020	\$ 235,997,695	\$ 1,144,644
2021	\$ 156,978,692	\$ 709,574
2022	\$ 6,786,611	

Actuarial assumptions

The total pension liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2015 using the following actuarial assumptions, applied to all periods included in the measurement:

Teachers Retirement System

Inflation	2.75%
Salary increases	3.25% - 9.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Post - retirement mortality rates were based on the RP - 2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males) for service retirements and dependent beneficiaries. The RP - 2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB (set forward two years for males and four years for females) was used for death after disability retirement. Rates of mortality in active service were based on the RP - 2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

Employees' Retirement System

Inflation	2.75%
Salary increases	3.25 – 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Post - retirement mortality rates were based on the RP - 2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. The RP - 2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward 3 years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9 - 12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP - 2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on TRS and ERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	TRS target allocation	ERS target allocation	Long-term expected real rate of return*
Fixed income	30.00%	30.00%	(0.50)%
Domestic large equities	39.80%	37.20%	9.00 %
Domestic mid equities	3.70%	3.40%	12.00 %
Domestic small equities	1.50%	1.40%	13.50 %
International developed market equities	19.40%	17.80%	8.00 %
International emerging market equities	5.60%	5.20%	12.00 %
Alternatives	—%	5.00%	10.50 %
Total	100.00%	100.00%	

* Rates shown are net of the 2.75% assumed rate of inflation

Discount rate

The discount rate used to measure the total TRS and ERS pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the TRS and ERS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Institute's proportionate share of the net pension liability to changes in the discount rate:

The following presents the USG's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the USG's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

Teachers Retirement System:

	1% Decrease 6.50%	Current discount rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$ 4,774,720,388	\$ 3,067,576,327	\$ 1,632,024,589

Employees' Retirement System:

	1% Decrease 6.50%	Current discount rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$ 28,298,356	\$ 20,881,541	\$ 14,560,938

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS and ERS financial reports which are publically available at trsga.com/publications and ers.ga.gov/formspubs/formspubs.html, respectively.

B. Early Retirement Pension Plan

Plan Description

Augusta University Early Retirement Pension Plan (ERP) is a single-employer defined benefit pension plan administered by Bryan, Pendleton, Swats, and McAlister. The plan was derived by Augusta University as a means of workforce reduction and was approved by the Board of Regents of the University System of Georgia (BOR) effective January 1, 2000.

The plan was designed to provide eligible participants additional benefits above the amounts payable through Teachers Retirement System of Georgia (TRS). The plan was designed to allow vested employees aged 55 or employees of any age with 25 years of creditable service to retire without penalties as applied by the Teachers Retirement System of Georgia (TRS) for early retirement.

The plan would allow for all participants to retire as if they were vested and aged 60 or had attained 30 years of creditable service. Any member who opted into the Optional Retirement Plan aged 55 with 10 years of service by June 30, 2000 was also eligible to participate in the plan.

The plan is closed to new entrants. There were no active plan participants. As of January 1, 2017, plan participants consisted of the following:

Inactive Plan Participants:

Retirees and Beneficiaries Currently Receiving Benefits	628
Terminated Employees Entitled to Deferred Benefits	0
Disabled Employees Entitled to Deferred Benefits	0
	<hr/>
Total	628
	<hr/>

Benefits Provided

TRS provides a benefit equal to 2% of the participant's average annual compensation during the two consecutive years of creditable service which produce the highest such average, multiplied by the number of years of creditable service, limited to 40 years. If the participant has less than 30 years of creditable service and has not attained age 60 at the time of retirement, the benefit will be reduced by the lesser of 1/12 of 7% for each month that retirement precedes age 60 or 7% for each year or fraction of a year by which the participant has less than 30 years of creditable service at the time of retirement. In addition, a one-time 3% increase is applied to the first \$37,500 of the participant's benefit at retirement.

The ERP provides the additional benefits that would have been payable under TRS based on the following adjustments:

- Age of the participant was increased five years
- Participant's creditable service was increased five years
- Participant's annual rate of earnings as of August 1, 1999 was projected five years into the future with 3% increases each year

ERP benefits will be increased 3% a year as a cost-of-living adjustment (COLA): 1-1/2% on each January 1 and July 1. The ERP provided COLA's for both the ERP and TRS benefits until actual eligibility for a COLA through TRS occurred. Since that time, the ERP has provided COLA's only on the portion of the benefit paid by the ERP, and TRS has provided COLA's under the terms of the TRS plan.

The ERP does not issue a standalone report.

Funding Policy

The fund sources that provided for an employee's salary, as of December 31, 1999, would be responsible for funding the annuity to provide for retiree benefits. There is no additional cost to the employee/retiree, USG, or State of Georgia for this plan. Contributions are made by Augusta University based on the actuarial valuation of the plan. For fiscal year 2017, affiliated organizations contributed \$5,886,802 to the plan on-behalf of the University.

Since this plan was not pre-funded, Augusta University's approach to collect and deposit as much into the ERP fund in the earlier years as is possible, thereby, realizing a greater return on investment. Effective January 1, 2017, the period to amortize the unfunded accrued liability was extended two years. With this change, the plan should be fully funded by June 30, 2025. The funding policy is reasonable and in compliance with minimum funding requirements set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law.

Investments

Augusta University maintains an investment policy which fosters sound and prudent judgment in the management of assets to ensure safety of capital consistent with the fiduciary responsibility of the institution to the citizens of Georgia and which conforms to the USG investment policy. All investments are consistent with USG policy and applicable Federal and state laws.

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. The Augusta University's Investment Policy and Guidelines for managing concentration of credit risk requires that stocks and debt issues be diversified. Augusta University also relies upon the concentration of credit risk policy of the individual investment vehicles related to plan assets. More than 5% of the Pension Plan's Investments are in iShares Core Total U.S. Aggregate Bond Exchange-traded Fund (ETF), Vanguard Institutional Index Fund, iShares Russell 1000 Value ETF, and iShares Russell 1000 Growth ETF. These investments are 8.51%, 41.69%, 5.98%, and 10.19% respectively of the Plan's total investments.

For the fiscal year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.39%.

Net Pension Liability (NPL)

The components of the net pension liability at June 30, 2017 were as follows:

Total Pension Liability	\$ 149,152,995
Plan Fiduciary Net Position	<u>(90,408,065)</u>
Net Pension Liability	<u><u>\$ 58,744,930</u></u>

Plan Fiduciary Net Position as a percentage of total pension liability is 60.61%.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2017 with the results rolled forward to the June 30, 2017 measurement date using the following actuarial assumptions, applied to all periods included in the measurement: (a) rate of return of 7.50% per annum, compounded annually (b) inflation of 3%, and (c) cost of living increases of 3% per annum.

To better recognize current and future mortality improvements, effective June 30, 2017 mortality rates were based on the RP-2014 Mortality Table, adjusted to 2006, with generational mortality improvement projected after year 2006 using Scale MP-2015 rather than the previously used RP-2000 Mortality Table for Healthy Annuitants with projected improvement from year 2000 to year 2022 under Projection Scale AA.

The projection of cash flows used to determine the discount rate of 7.5% per annum, compounded annually assumes that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	79.62%	6.50%
International Equity	—%	7.25%
Fixed Income	13.48%	1.25%
Real Estate	—%	5.75%
Cash	6.90%	0.50%

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.50%	Current discount rate 7.50%	1% Increase 8.50%
Net Pension Liability	\$ 71,235,851	\$ 58,744,930	\$ 47,883,650

Schedule of Changes in Net Pension Liability

For the year ended June 30, 2017, the USG recognized net pension liability of \$58,744,930 calculated as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, June 30, 2016	\$ 151,817,059	\$ 80,322,348	\$ 71,494,711
Interest	10,875,630		10,875,630
Experience losses (gains)	77,619		77,619
Contributions - Employer		13,084,672	(13,084,672)
Net investment income		10,618,358	(10,618,358)
Benefit payments	(13,617,313)	(13,617,313)	—
Net Change	(2,664,064)	10,085,717	(12,749,781)
Balance, June 30, 2017	\$ 149,152,995	\$ 90,408,065	\$ 58,744,930

Affiliated organizations contributed \$5,886,802 to the plan on behalf of the USG.

Schedule of Changes in Pension Expense

For the year ended June 30, 2017, the USG recognized pension expense of \$5,409,026 from the following sources:

	Pension Expense
Interest	\$ 10,875,630
Projected investment income	(6,004,202)
Recognition of experience (gain)/loss	77,619
Investment losses (gains)	459,979
Pension Expense June 30, 2016	\$ 5,409,026

Deferred Outflows/Inflows of Resources

At June 30, 2017, the USG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Pension Outflows of Resources	Deferred Pension Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 3,631,819	\$ 3,691,325

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2018	\$ 459,979
2019	\$ 459,979
2020	\$ (56,630)
2021	\$ (922,834)

C. Defined Contribution Plan:

Regents Retirement Plan

Plan Description

The Regents Retirement Plan, a single-employer defined contribution plan, is an optional retirement plan that was created/established by the Georgia General Assembly in O.C.G.A. § 47-21-1 et.seq. and administered by the Board of Regents of the University System of Georgia (Board). O.C.G.A. § 47-3-68(a) defines who may participate in the Regents Retirement Plan. An “eligible university system employee” is a faculty member or all exempt full and partial benefit eligible employees, as designated by the regulations of the Board. Under the Regents Retirement Plan, a plan participant may purchase annuity contracts from three approved vendors (VALIC, Fidelity, and TIAA-CREF) for the purpose of receiving retirement and death benefits. Benefits depend solely on amounts contributed to the plan plus investment earnings. Benefits are payable to participating employees or their beneficiaries in accordance with the terms of the annuity contracts.

Funding Policy

The institutions of the USG make monthly employer contributions to the Regents Retirement Plan on behalf of participants at rates determined by the Board. The Board reviews the contribution amount every three (3) years. For fiscal year 2017, the employer contribution was 9.24% for the participating employee's earnable compensation. Employees contribute 6% of their earnable compensation. Amounts attributable to all plan contributions are fully vested and non-forfeitable at all times.

The USG and the covered employees made the required contributions of \$132,449,090 (9.24%) and \$83,734,848 (6%), respectively.

VALIC, Fidelity, and TIAA-CREF have separately issued financial reports which may be obtained through their respective corporate offices.

Note 15 Risk Management

The USG offers its employees and retirees under the age of 65 access to three self insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2017, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan.

The USG's participating employees and eligible retirees pay premiums into the plan fund to access benefits coverage. All units of the USG share the risk of loss for claims associated with these plans. The plan fund is considered to be a self-sustaining risk fund. The USG has contracted with Blue Cross and Blue Shield of Georgia, a wholly owned subsidiary of Anthem, Inc., to serve as the claims administrator for the self-insured healthcare plan options. In addition to the self-insured healthcare plan options offered to the employees and eligible retirees of the USG, a fully insured HMO healthcare plan option also is offered through Kaiser Permanente. The Comprehensive Care plan has a carved-out prescription drug plan administered through CVS Caremark. Pharmacy drug claims are processed in accordance with guidelines established for the Board of Regents' Prescription Drug Benefit Program. Generally, claims are submitted by participating pharmacies directly to CVS Caremark for verification, processing and payment. CVS Caremark maintains an eligibility file based on information furnished by Blue Cross and Blue Shield of Georgia on behalf of the various organizational units of the University System of Georgia. The self-insured dental plan is administered through Delta Dental.

Retirees age 65 and older participate in a secondary healthcare coverage for Medicare-eligible retirees and dependents provided through a retiree health care exchange option. The USG makes contributions to a health reimbursement account, which can be used by the retiree to pay premiums and out-of-pocket healthcare-related expenses.

A reconciliation of total estimated claims liabilities for employees and retirees for the fiscal years ended June 30, 2017, and June 30, 2016 is shown below:

	June 30, 2017	June 30, 2016
Employees:		
Unpaid Claims and Claim Adjustments	\$ 50,977,835	\$ 36,497,000
Incurring Claims and Claim Adjustments Expenses - Provisions for Insured Events of the Current Year	383,406,114	385,414,556
Payments - Claims and Claim Adjustments Attributable To Insured Events of the Current Year and Prior Years	382,695,770	370,933,721
Unpaid Claims and Claim Adjustments	<u>\$ 51,688,179</u>	<u>\$ 50,977,835</u>
Retirees:		
Unpaid Claims and Claim Adjustments	\$ 8,811,415	\$ 11,425,000
Incurring Claims and Claim Adjustments Expenses - Provisions for Insured Events of the Current Year	86,008,435	124,501,761
Payments - Claims and Claim Adjustments Attributable To Insured Events of the Current Year and Prior Years	87,322,254	127,115,346
Unpaid Claims and Claim Adjustments	<u>\$ 7,497,596</u>	<u>\$ 8,811,415</u>

The Department of Administrative Services (DOAS) has the responsibility for the State of Georgia of making and carrying out decisions that will minimize the adverse effects of accidental losses that involve State government assets. The State believes it is more economical to manage its risks internally and set aside assets for claim settlement. Accordingly, DOAS processes claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, unemployment compensation, and law enforcement officers' indemnification. Limited amounts of commercial insurance are purchased applicable to property, employee and automobile liability, fidelity and certain other risks.

The USG is part of the State of Georgia reporting entity, and as such, is covered by the State of Georgia risk management program administered by DOAS. Premiums for the risk management program are charged to the various state organizations by DOAS to provide claims servicing and claims payment.

A self-insured program of professional liability for its employees was established by the Board of Regents of the University System of Georgia under powers authorized by the O.C.G.A § 45-9-1.

The program insures the employees to the extent that they are not immune from liability against personal liability for damages arising out of the performance of their duties or in any way connected therewith. The program is administered by DOAS as a Self-Insurance Fund.

Note 16 Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. This could result in refunds to the grantor agency for any expenditure disallowed under grant terms. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the Institution expects such amounts, if any, to be immaterial to its overall financial position.

Litigation, claims and assessments filed against the USG, if any, are generally considered to be actions against the State of Georgia. Accordingly, significant litigation, claims and assessments pending against the State of Georgia are disclosed in the State of Georgia Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

Note 17 Post-Employment Benefits Other Than Pension Benefits

Plan Description and Funding Policy

The Board of Regents Retiree Health Benefit Plan (Plan) is a single-employer, defined-benefit, healthcare plan administered by the University System Office, an organizational unit of the USG. The Plan was authorized pursuant to OCGA § 47-21-21 for the purpose of accumulating funds necessary to meet employer costs of retiree post-employment health insurance benefits.

Pursuant to the general powers conferred by the OCGA § 20-3-31, the USG has established group health and life insurance programs for regular employees of the USG. It is the policy of the USG to permit employees of the USG eligible for retirement or who become permanently and totally disabled to continue as members of the group health and life insurance programs. The USG offers its employees and retirees under the age of 65 access to three self-insured healthcare plan options and one fully insured plan option. For the USG's Plan Year 2017, the following self-insured health care options were available: Blue Choice HMO plan, (Blue Cross and Blue Shield of Georgia) Consumer Choice HSA plan, and the (Blue Cross and Blue Shield of Georgia) Comprehensive Care plan. The USG offers a self-insured dental plan administered by Delta Dental.

Retirees age 65 and older participate in a secondary healthcare coverage for Medicare-eligible retirees and dependents provided through a retiree health care exchange option. The USG makes contributions to the retirees' health reimbursement account, which can be used by the retiree to pay premiums and out-of-pocket healthcare related expenses.

Membership of the Plan consisted of the following at June 30, 2017:

Active Employees	
Receiving Medical	40,838
Not Receiving Medical	8,982
Subtotal	<u>49,820</u>
Retirees or Beneficiaries Receiving Benefits	<u>20,591</u>
Total	<u><u>70,411</u></u>

The contribution requirements of plan members and the employer are established and may be amended by the Board. The Plan is substantially funded on a "pay-as-you-go" basis; however, amounts above the pay-as-you-go basis may be contributed annually, either by specific appropriation or by Board designation.

Organizational units of the University System of Georgia pay the employer portion for group insurance for eligible retirees. The employer portion of health insurance for its eligible retirees is based on rates that are established annually by the Board for the upcoming plan year. For the 2017 plan year, the employer rate was approximately 85% of the total health insurance cost for eligible retirees and the retiree rate was approximately 15%. With regard to life insurance, the employer covers the total premium cost for \$25,000 of basic life insurance. If an individual elects to have supplemental, and/or, dependent life insurance coverage, such costs are borne entirely by the retiree.

For fiscal year 2017, the University System of Georgia contributed \$99,583,903 to the plan for current premiums or claims.

Investments

The Plan's investments are segregated for OPEB in the Board of Regents' Short-Term and Balanced Income pooled investment funds.

The Short-Term Fund provides a current return and stability of principal while affording a means of overnight liquidity for projected cash needs. Investments are in securities allowed under Georgia Code 50-17-59 and 50-17-63. The average maturities of investments in this fund will typically range between daily and three years, and the fund will typically have an overall average duration of $\frac{3}{4}$ - 1 year. The overall character of the portfolio is of Agency quality, possessing a minimal degree of financial risk. The market value of the Plan's net asset value in the Short Term Fund at June 30, 2017 was \$377,029. This balance is reported as cash and cash equivalents on the Statement of Fiduciary Net Position.

The Balanced Income Fund is designed to be a vehicle to invest funds that are not subject to the state regulations concerning investing in equities. This pool is appropriate for investing longer term funds that require a more conservative investment strategy. Permitted investments in the fund are domestic US equities, domestic investment grade fixed income, and cash equivalents. The equity allocation shall range between 30% and 40%, with a target of 35% of the total portfolio. The fixed income (bond) portion of the portfolio shall range between 60% and 70%, with a target of 65% of the total portfolio. Cash reserves and excess income are invested at all times in the highest quality par stable (A1, P1) institutional money market mutual funds, or other high quality short term instruments. The market value of the Plan's net asset value in the Balanced Income Fund at June 30, 2017 was \$7,101,556. This balance is reported as pooled investments on the Statement of Fiduciary Net Position.

The following table summarizes the adopted asset allocation policy as of June 30, 2017:

Asset Class	Target Allocation
Cash Equivalents	Less than 5%
Fixed Income	60% to 70%
Equity Allocation	30% to 40%

At June 30, 2017, approximately 28.34%, 24.86%, 11.99%, 9.42%, 6.17%, 5.89% and 5.69% of the Plan's investments were investments in iShares Core Total U.S. Aggregate Bond ETF, Western Asset Core Bond Portfolio, Vanguard Institutional Index Fund, DFA Short-Term Extended Quality, Federated Money Mkt Obligations Treasury, iShares Russell 1000 Growth ETF, and iShares Russell 1000 Value ETF, respectively.

For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was .99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Annual OPEB Cost and Net OPEB Obligation under GASB 45

The annual OPEB cost (expense) (AOC) for the Plan is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table presents the components of the USG's annual OPEB cost, the amount actually contributed, and changes in the net OPEB obligation (NOO) for the Plan for fiscal year 2017, 2016, and 2015 (dollars in millions):

	Fiscal Year Ending June 30		
	2017	2016	2015
Annual Required Contribution	\$ 349.9	\$ 295.2	\$ 442.4
Interest on Net OPEB Obligation (NOO)	106.0	97.3	82.9
Amortization of NOO	(96.1)	(88.2)	(75.2)
Total Expense or Annual OPEB Cost (AOC)	359.8	304.3	450.1
Actual Contribution Towards OPEB Cost	(99.6)	(111.8)	(129.8)
Increase in NOO	260.2	192.5	320.3
Net OPEB Obligation, Beginning of Year	2,355.9	2,163.4	1,843.1
Net OPEB Obligation, End of Year	\$ 2,616.1	\$ 2,355.9	\$ 2,163.4

The USG's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for the Retiree Health Benefit Plan were as follows (dollars in millions):

Fiscal Year Ended	Annual OPEB Cost	Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 450.1	\$ 129.8	28.8%	\$ 2,163.4
2016*	\$ 304.3	\$ 111.8	36.7%	\$ 2,355.9
2017	\$ 359.8	\$ 99.6	27.7%	\$ 2,616.1

* Changes in Plan Provisions: Effective January 1, 2016, all post-65 Medicare eligible retirees access medical coverage through an individual Healthcare Exchange marketplace. The University System of Georgia provides an annual fixed dollar HRA contribution for these retirees.

The funded status of the plan as of the latest actuarial valuation date was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
7/1/2016	\$ 2,898,502	\$ 3,068,725,854	\$ 3,065,827,352	0.1%	\$ 2,855,308,903	107.4%

Net OPEB Liability under GASB 74

For defined benefit OPEB plans that are administered through trusts that meet the specified criteria, GASB 74 requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. The total OPEB liability is actuarially determined.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress with multi-year trend information is presented as required supplementary information following the notes to the financial statements.

The multi-year trend schedules indicate whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The components of the net OPEB liability at June 30, 2017, were as follows:

Total OPEB Liability	\$ 4,227,583,095
Plan Fiduciary Net Position	7,857,223
Net OPEB Liability	<u>\$ 4,219,725,872</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability 0.19%

Discount Rate

The last year in which projected benefit payments are due from the Plan is 2115.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Expected Return
Cash Equivalents	2.6%
Fixed Income	
Domestic Fixed Income (Corporate Long Term)	4.2%
Domestic Fixed Income (Corporate Short Term)	3.5%
International Fixed Income	4.9%
Equity Allocation	
Domestic Equity (Large Cap)	6.5%
International Equity	7.3%

The Plan's projected fiduciary net position at the end of 2018 is \$0, based on the valuation completed for the fiscal year ending June 30, 2017. As such, the Plan's fiduciary net position was not projected to be available to make all projected future benefit payments for current Plan members. The projected "depletion date" when projected benefits are not covered by projected assets is 2018. Therefore, the long-term expected rate of return on Plan investments of 4.50% per annum was not applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2017, pursuant to paragraph 48 of GASB Statement No. 74. Instead, a yield or index rate for a 20 year, tax-exempt general obligation municipal bond with an average rating of AA or higher was used. This rate was determined to be 3.58% from the Bond Buyer.

In projecting the Plan's fiduciary net position, the following assumptions were made:

1. Projected total contributions are simply the pay as you go costs of the plan. Because the current contribution policy is not designed to pre-fund the plan, the unfunded liability is not expected to be paid off at any point in the future.
2. Assumed contributions are based on the contribution policy.
3. Projected benefit payments have been determined in accordance with Paragraphs 30-35 of GASB Statement No. 74, and are based on the closed group of active, retired members and beneficiaries as of June 30, 2017. Benefit payments are assumed to be paid mid-year.
4. Administrative expenses are \$0.0 million for 2017. Expenses are assumed to be paid mid-year.
5. Projected investment earnings are based on the assumed investment rate of return of 4.50% per annum. The first year's earnings have been adjusted to account for the actual return through June 30, 2017.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.58%) or 1% higher (4.58%) than the current discount rate (3.58%):

	1% Decrease 2.58%	Current Rate 3.58%	1% Increase 4.58%
Net OPEB Liability	\$ 5,040,938,351	\$ 4,219,725,872	\$ 3,579,534,581

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ 3,559,505,220	\$ 4,219,725,872	\$ 5,091,997,068
Pre-Medicare Eligible	6.3% decreasing to 3.5%	7.3% decreasing to 4.5%	8.3% decreasing to 5.5%
Medicare Eligible	6.3% decreasing to 3.7%	7.3% decreasing to 4.7%	8.3% decreasing to 5.7%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation is as follows:

Valuation Date	July 1, 2016. Update procedures were used to rolled forward the total OPEB liability to June 30, 2017.
Cost Method	GASB 45 - Projected Unit Credit
Amortization Method	GASB 74 - Entry Age Normal GASB 45 - Past service liability is amortized over a closed 30 year period, as a percent of payroll. GASB 74 - Closed amortization period for initial unfunded and subsequent actuarial gains/losses.
Asset Method	Fair Value
Interest Discounting and Salary Growth	GASB 45 Interest Rate 4.50% GASB 74 Interest Rate as of 6/30/2016 2.85% from Bond Buyer GASB 74 Interest Rate as of 6/30/2017 3.58% from Bond Buyer General Inflation 2.50% Salary Growth 3.00% Salary Scale 4.00%
Mortality Rates	Healthy: RP-2014 Mortality Table with Generational Improvements by Scale MP-2014 Disabled: RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward two years for males and four years for females)
Initial Healthcare Cost Trend	
Pre-Medicare Eligible	7.3%
Medicare Eligible	7.3%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.5%
Medicare Eligible	4.7%
Year Ultimate Trend is Reached	2031 for Pre-Medicare Eligible, 2072 for Medicare Eligible
Experience Study	Based on the experience of the Teachers Retirement System of Georgia

Changes in Assumptions Since Prior Valuation

Expected claims costs were updated to reflect actual claims experience. Trend was reset based on current conditions. Disability, Termination, Retirement, and Disabled Mortality were updated to reflect the current Teachers Retirement System of Georgia.

Note 18 Operating Expenses with Functional Classifications

Business-type activity operating expenses by functional classification for fiscal 2017 are shown below:

Functional Classification	Natural Classification				
	Faculty Salaries	Staff Salaries	Employee Benefits	Personal Services	Travel
Instruction	\$ 987,783,959	\$ 326,051,593	\$ 402,776,174	\$ 1,350,253	\$ 20,332,903
Research	443,459,433	306,270,212	177,470,440	261,428	30,486,609
Public Service	40,691,784	144,142,855	59,564,862	681,108	6,658,262
Academic Support	56,821,160	259,530,850	97,329,406	784,569	6,532,328
Student Services	3,374,277	178,409,388	53,707,094	324,768	4,341,170
Institutional Support	11,427,797	327,618,938	181,623,831	7,980,934	6,281,265
Plant Operations and Maintenance	409,070	197,111,716	76,938,644		849,631
Scholarships and Fellowships	55,000	65,721	203,645	655,777	
Auxiliary Enterprises	817,759	208,978,679	57,424,130	3,330,302	2,704,938
Patient Care	73,692,728	109,424,773	43,957,866		410,018
Total Operating Expenses	<u>\$ 1,618,532,967</u>	<u>\$ 2,057,604,725</u>	<u>\$ 1,150,996,092</u>	<u>\$ 15,369,139</u>	<u>\$ 78,597,124</u>

Functional Classification	Natural Classification				
	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation/Amortization	Total Operating Expenses
Instruction	\$ 13,737,188	\$ 5,296,312	\$ 168,688,851	\$ 70,460,942	\$ 1,996,478,175
Research	6,478,109	5,329,697	316,359,109	85,069,151	1,371,184,188
Public Service	1,918,973	2,860,401	154,855,791	8,410,222	419,784,258
Academic Support	925,243	3,325,353	127,059,867	56,054,907	608,363,683
Student Services	3,894,178	3,181,468	85,631,058	21,893,082	354,756,483
Institutional Support	2,617,941	8,088,009	591,691,204	35,932,481	1,173,262,400
Plant Operations and Maintenance		112,652,978	180,500,645	82,952,960	651,415,644
Scholarships and Fellowships	253,473,818		438,932	2,564	254,895,457
Auxiliary Enterprises	30,326,846	35,470,653	364,926,888	125,040,205	829,020,400
Patient Care		392,353	125,129,980		353,007,718
Total Operating Expenses	<u>\$ 313,372,296</u>	<u>\$ 176,597,224</u>	<u>\$ 2,115,282,325</u>	<u>\$ 485,816,514</u>	<u>\$ 8,012,168,406</u>

Note 19 Subsequent Event

On August 30, 2017, the Georgia State University Foundation refunded existing bonds associated with the Panther Place, LLC Series 2009 A & B bonds by a new fixed-rate bond issuance. Revenue bonds of \$57,040,000 (tax-exempt \$49,270,000 and taxable \$7,770,000) plus premium of \$6,474,607 were issued by the Atlanta Development Authority on behalf of the Georgia State University Foundation. Capital leases between the Georgia State University Foundation and Georgia State University associated with this debt were restructured to provide net savings to the Georgia State University of \$26,277,546.

On August 30, 2017, the Georgia State University Foundation refunded existing bonds associated with the GPC Foundation Real Estate Newton, LLC Series 2005 bonds by a new fixed-rate bond issuance. Tax-exempt Revenue bonds of \$15,865,000 plus premium of \$1,954,062 were issued by the Newton County Industrial Development Authority on behalf of the Georgia State University Foundation. Capital leases between the Georgia State University Foundation and Georgia State University associated with this debt were restructured to provide net savings to the Georgia State University of \$4,170,496.

On September 25, 2017, the University of Georgia, an organizational unit of the USG, paid \$21,167,039 to the UGA Real Estate Foundation Coverdell Building, LLC for the extinguishment of debt, transfer of the facility to the Institution, and early termination of the air rights lease and capital lease agreement related the Paul D. Coverdell Center for Biomedical and Health Sciences.

In December 2017, the Board of Regents of the University System of Georgia (BOR), on behalf of the Georgia Institute of Technology, entered into a lease agreement with Georgia Tech Cobb Research Campus, LLC, a wholly-owned subsidiary of Georgia Advanced Technology Ventures (GATV) for the Georgia Tech Cobb Research Campus. This facility will be used by the Georgia Tech Research Institute (GTRI) for ongoing research. The lease term is for thirty-one and one half years with rental payments beginning in December 2017. The Institute will pay estimated total rent on a monthly basis of \$127,863,834 over the thirty year period. The rental payment includes annual base rent and annual repair and replacement contribution. Total rental payments for the first year are expected to equal \$1,170,055.

In December 2017, the USG Real Estate V, LLC purchased the SGSC Tiger Village I (student housing dormitory), Tiger Village 2 (student housing dormitory), Clower Hall (student center) and dining hall and related amenities from the South Georgia State College Foundation for \$31,000,000 by issuing a two year interest-only bond anticipation note ("BAN") payable. At maturity, the BAN payable will be refinanced with a 30 year low-interest fixed rate USDA loan. The real estate on which the facilities are constructed will be leased to USG Real Estate Foundation, LLC by the Board of Regents pursuant to a ground lease for minimal rent. The terms of the BAN payable require the USG Real Estate Foundation V, LLC to lease the related facilities to the Board of Regents through year-to-year rental agreements that have multiple-year renewal options, in amounts necessary to maintain the properties, pay interest on the note, and retire the debt. Through the rental agreement with the USG Real Estate Foundation, South Georgia State College will realize a savings of \$5.1 million over the life of the agreement.

Note 20 Component Units

Augusta University Foundation, Inc.

The Augusta University Foundation (AUF) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

The AUF acts primarily as a fund-raising organization to supplement the resources that are available to Augusta University in support of its programs. During the year ended June 30, 2017, the AUF distributed approximately \$993,566 to Augusta University in support of capital outlay projects, scholarships and other supporting activities.

Augusta University Research Institute, Inc.

Augusta University Research Institute (AURI) is a legally separate, tax-exempt component unit of the State of Georgia reporting entity. The AURI serves to enhance the research mission of Augusta University by securing sponsored research funding and by providing funding of special research initiatives. During the year ended June 30, 2017, the AURI distributed approximately \$59,758,599 million to Augusta University in support of capital outlay projects, scholarships and other supporting activities.

AU Health System Inc

AU Health System, Inc. (the Health System), located in Augusta, Georgia, is a legally separate, tax-exempt organization, which was established to promote the health science education missions and other tax-exempt functions and purposes of the Augusta University (the University), AU Medical Associates (AUMA) and AU Medical Center, Inc. (AUMC), by strategically coordinating operations of AUMA and AUMC. The Health System was incorporated under the laws of the State of Georgia as a non-profit corporation on June 1, 2010. It began operations on June 1, 2010 as part of a Joint Operating Agreement (the Agreement) with AUMA and AUMC. The Agreement was subsequently amended on June 26, 2014 to incorporate Roosevelt Warm Springs Rehabilitation & Specialty Hospitals, Inc. (RWSH) (a discretely presented component unit) and on August 28, 2014 to incorporate AU Health Professions Associates, Inc. (Health Professions Associates), Augusta University Nursing Associates, Inc. (Nursing Associates) and AU - Dental Associates (Dental Associates).

AU Medical Associates

AU Medical Associates (the Company), was formed in 1958 as a nonprofit organization for the purpose of enhancing the clinical, research, and educational missions of the Augusta University (AU or the University) and billing and collecting

for medical services provided to patients. Revenues are obtained primarily from physician fees charged to patients at AU Medical Center and AU Children's Medical Center, which are operated by AU Health System, Inc.

Georgia Advanced Technology Ventures, Inc.

The Georgia Advanced Technology Ventures (GTAV) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

GATV is a supporting organization of the Georgia Institute of Technology focused on technology, commercialization, economic development, and relevant real estate development. During the year ended June 30, 2017, GATV distributed approximately \$309,000 to the Georgia Institute of Technology in support of other supporting activities.

Georgia College & State University Foundation

The Georgia College & State University Foundation (GC&SUF) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

The GC&SUF acts primarily as a fund-raising organization to supplement the resources that are available to the Georgia College & State University in support of its programs. During the year ended June 30, 2017, the GC&SUF distributed approximately \$744,748 to Georgia College & State University in support of capital outlay projects, scholarships and other supporting activities.

Georgia Gwinnett College Foundation, Inc.

Georgia Gwinnett College Foundation, Inc. was established on May 8, 2006 to serve as an advocate for Georgia Gwinnett College, a unit of the University System of Georgia.

The Foundation's primary object is to receive, invest, account for, and allocate private gifts and contributions in support of the College.

Georgia Health Sciences Foundation, Inc.

The Georgia Health Sciences Foundation (GHSF) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

The GHSF acts primarily as a fund-raising organization to supplement the resources that are available to Augusta University in support of its programs. During the year ended June 30, 2017, the GHSF distributed approximately \$3,872,387 to Augusta University in support of capital outlay projects, scholarships and other supporting activities.

Georgia Southern Housing Foundation, Inc.

The Georgia Southern University Housing Foundation, Inc. is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

Georgia Southern University Foundation, Inc. and Subsidiaries (GSUHF) is a legally separate, tax-exempt affiliated organization which supports Georgia Southern University (University). GSUHF acts primarily as an organization to issue bonds which are utilized to acquire and/or construct student housing and other student facilities that are available to the University in support of its programs. The board of the GSUHF is self-perpetuating and consists of employees and friends of the University. Because the organization's purpose is for the benefit of the University, the Foundation is considered a component unit of the State of Georgia reporting entity and is discretely presented in these financial statements.

Georgia State University Foundation, Inc.

The Georgia State University Foundation, Inc. (GSUF) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

The GSUF acts primarily as a fund-raising organization to supplement the resources that are available to the Georgia State University in support of its programs. During the year ended June 30, 2017, the GSUF distributed approximately \$16.8 million to Georgia State University in support of capital outlay projects, scholarships and other supporting activities.

Georgia State University Research Foundation Inc. and Affiliates

The Georgia State University Research Foundation (GSURF) is a legally separate, tax-exempt component unit of the State of Georgia reporting entity. The GSURF functions as the prime contractor for most sponsored research conducted at Georgia State University and subcontracts with Georgia State University for faculty and staff services. During the year ended June 30, 2017, the GSURF distributed approximately \$89 million to the university for restricted and unrestricted grants and contract sub-awarded to Georgia State University.

Georgia Tech Athletic Association

The Georgia Tech Athletic Association (GTAA) administers Georgia Institute of Technology's intercollegiate athletics program, including fund-raising to support scholarships. During the year ended June 30, 2017, the GTAA distributed approximately \$11 million to the Georgia Institute of Technology for athletic scholarship support and other payments that were either expense reimbursements or support for Georgia Institute of Technology's intercollegiate athletics program.

Georgia Tech Facilities, Inc.

The Georgia Tech Facilities, Inc. (GTFI) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

Additionally, the FASB reported Investment in Direct Financing Leases and Net Position was increased by \$50,226,993 for external financial reporting purposes in these financial statements. This adjustment was necessary as GTFI amortizes Investment in Direct Financing Leases on a straight-line method.

GTFI constructs buildings and other facilities as appropriate to meet the needs and goals of the Georgia Institute of Technology. Funding for construction is obtained from contributions or from financing with debt service funded by support from various sources. During the year ended June 30, 2017, GTFI distributed approximately \$344,000 to the Georgia Institute of Technology for supporting activities.

Georgia Tech Foundation, Inc.

The Georgia Tech Foundation (GTF) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

Additionally, the FASB reported Investment in Direct Financing Leases and Net Position was increased by \$21,663,000 for external financial reporting purposes in these financial statements. This adjustment was necessary to properly reflect these balances in accordance with GAAP. The GTF amortizes Investment in Direct Financing Leases on a straight-line method, whereas, GAAP requires the effective interest method be utilized.

The GTF acts primarily as a fund-raising organization to supplement the resources that are available to the Georgia Institute of Technology in support of its programs. During the year ended June 30, 2017, the GTF distributed approximately \$84 million to Georgia Institute of Technology in support of capital outlay projects, scholarships and other supporting activities.

Georgia Tech Research Corporation

Georgia Tech Research Corporation (GTRC) is a legally separate, tax-exempt component unit of the State of Georgia reporting entity. GTRC functions as the prime contractor for most sponsored research conducted at Georgia Institute of Technology and subcontracts with Georgia Institute of Technology for faculty and staff services. During the year ended June 30, 2017, the GTRC distributed approximately \$682 million to Georgia Institute of Technology for restricted and unrestricted grants and contracts sub-awarded to Georgia Institute of Technology.

Kennesaw State University Athletic Association, Inc.

The Kennesaw State University Athletic Association (KSUAA) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

The KSUAA administers Kennesaw State University's intercollegiate athletics program, including fund-raising to support scholarships. During the year ended June 30, 2017, the KSUAA distributed approximately \$11,470,000 million to Kennesaw State University for services such as food services, parking services, health services, tuition, gas, electricity, and security.

Kennesaw State University Foundation, Inc.

The Kennesaw State University Foundation (KSUF) is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

The KSUF acts primarily as a fund-raising organization to supplement the resources that are available to the Kennesaw State University in support of its programs. During the year ended June 30, 2017, the KSUF distributed approximately \$4,110,822 to Kennesaw State University in support of capital outlay projects, scholarships and other supporting activities.

Medical College of Georgia Foundation

Medical College of Georgia Foundation, Inc. (the "Foundation") is a nonprofit corporation incorporated under the laws of the State of Georgia in 1954. The Foundation serves the needs and interests of Augusta University, the Augusta University Health Sciences campus and the Augusta University Health System. The Foundation presents its financial statements in accordance with Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

The Foundation receives and administers funds for the support of Augusta University, the Augusta University Health Sciences campus and the Augusta University Health System, and manages investments and distributes funds in accordance with donor instructions and board of director's intentions for gifts. The Foundation provides support for faculty chairs, research, scholarships and other institutional programs. During the year ended June 30, 2017, the Foundation paid approximately \$3,450,000 to Augusta University and its affiliates in support of students and University programs. The Foundation paid approximately \$6,260,000 to non-affiliated organizations on behalf of Augusta University.

Middle Georgia State University Real Estate Foundation, Inc.

The Middle Georgia State University Real Estate Foundation (MGAREF) is a nonprofit corporation originally incorporated on August 31, 1973 for the purpose of promoting, in various ways, the cause for higher education, expanding educational opportunities, supporting athletic programs, and acquiring and administering funds to be used to award scholarships and create endowments for the benefit of students and faculty of the University. The Foundation was restructured on February 25, 2013 to acquire, construct, supervise, administer and manage assets and properties, real and personal that are held and used exclusively for the benefit of the University.

University of Georgia Athletic Association, Inc.

The University of Georgia Athletic Association, Inc. (the Athletic Association) is a legally separate, tax-exempt component unit of the State of Georgia reporting entity. The Athletic Association was organized in 1938 as a not-for-profit corporation to promote intercollegiate athletic sports representing the Institution. Although University of Georgia is not fiscally accountable for the Athletic Association, the nature and significance of the relationship between the University and the Athletic Association is such that exclusion from these departmental financial statements would render them misleading.

During the year ended June 30, 2017, the Athletic Association made payments to the University for services such as food services, parking services, health services, tuition, gas, electricity, security, and golf course maintenance. These payments totaled \$50.1 million.

University of Georgia Foundation

The University of Georgia Foundation (the UGA Foundation) is a not for profit foundation that was chartered in 1937 to receive and administer contributions for the support of the academic programs of the University of Georgia (the Institution). The Foundation reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The FASB reports were reclassified to the GASB presentation for external financial reporting purposes in these financial statements.

During the year ended June 30, 2017, the UGA Foundation distributed \$38.1 million to the Institution for both restricted and unrestricted purposes.

University of Georgia Research Foundation, Inc.

The University of Georgia Research Foundation (the Research Foundation) is a legally separate, tax-exempt affiliated organization of the University of Georgia (University). The Research Foundation serves to enhance the research mission of the University by securing sponsored research funding and by providing funding of special research initiatives. All University intellectual property developed through these research programs is managed by the Research Foundation. The seventeen-member board of the Research Foundation consists of designated University personnel, appointees of several University constituent groups, and individuals selected by the Research Foundation itself. All sponsored research awards are subcontracted to the University and other resources and related income are used to benefit the teaching, research, and outreach missions of the University.

The Research Foundation is considered a special-purpose government entity engaged only in business-type activities and is required to follow all applicable GASB pronouncements. The Research Foundation's fiscal year is July 1 through June 30.

Complete financial statements for the Research Foundation can be obtained from the University of Georgia, University Business and Account Services, 324 Business Services Building, 456 East Broad Street, Athens, GA 30602.

The Research Foundation includes one component unit; the UGA Real Estate Foundation, Inc. (the Real Estate Foundation). The Research Foundation is the sole corporate member of the Real Estate Foundation and its activities are included in the financial statements using a blended presentation. The Real Estate Foundation manages and improves various real estate assets for the benefit of the University. The Real Estate Foundation may also provide support to the Board of Regents of the University System of Georgia and its affiliated institutions.

University of North Georgia Real Estate Foundation, Inc.

The University of North Georgia Real Estate Foundation, Inc. and subsidiaries, is a nonprofit foundation exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). The Real Estate Foundation was formed and incorporated under the laws of the state of Georgia in July 2009. The purpose of the Real Estate Foundation is to serve the needs and interest of the University of North Georgia and to benefit and promote the well-being of its administration, faculty, staff, student body, and the people and communities served by the University; and to acquire, lease, receive, accept, develop, manage, encumber, assign, sell, transfer and convey real property to be administered exclusively for charitable purposes for the benefit of the University of North Georgia.

UWG Real Estate Foundation, Inc.

UWG Real Estate Foundation, Inc. (Foundation) is a legally separate, tax-exempt component unit of the State of Georgia reporting entity. The Foundation constructs research and auxiliary buildings and facilities for use by the University of West Georgia and then leases the completed buildings to the University. The nine-member board of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to real estate activities of the University. These restricted resources held by the Foundation can only be used by or for the benefit of the University.

The UWG REF acts primarily as a fund-raising organization to supplement the resources that are available to the University of West Georgia in support of its programs. During the year ended June 30, 2017, the UWG REF distributed approximately \$591,230 to University of West Georgia in support of capital outlay projects, scholarships and other supporting activities.

University System of Georgia Foundation, Inc. and Affiliates

The University System of Georgia Foundation, Inc. (the "Foundation") is a nonprofit foundation exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3), and was formed on August 10, 1995. The Foundation was organized and operates under the laws of the State of Georgia to serve the needs and interests of the University System of Georgia.

The University System of Georgia Foundation, Inc. is a cooperative organization of the Board of Regents of the University System of Georgia. Its mission is to advance the University System of Georgia, as a whole, consistent with the priorities determined by the University System of Georgia Foundation, Inc. Board of Trustees. The Foundation's support comes primarily from contributions and grants from individuals and corporations, and from leasing activities within the University System of Georgia. During the fiscal year, the Foundation gave \$1.5 million in scholarships to various foundation supporting units of the USG.

VSU Auxiliary Services Real Estate Foundation

The VSU Auxiliary Services Real Estate Foundation is a Georgia nonprofit corporation, located in Valdosta, Georgia, incorporated on January 24, 2007. The Foundation is managed by a board of trustees. The Foundation is the sole owner of various limited liability companies: VSU Auxiliary Services Real Estate-Hopper, LLC, VSU Auxiliary Services Real Estate Foundation-Parking & Health, LLC, VSU Auxiliary Services Real Estate Georgia & Reade, LLC, VSU Auxiliary Services Real Estate-Student Union, LLC, VSU Auxiliary Services Real Estate-Centennial, Lowndes & Patterson, LLC and VSU Auxiliary Services Real Estate-Acquisition, LLC.

The Foundation was organized to support Valdosta State University ("the University") in its mission to provide excellent higher education to its constituencies, and to provide broad advice, consultation and support to the President of the University. The Foundation's primary efforts are directed toward developing the University's facilities and infrastructure as identified in the strategic planning process and the master plan of the University. In addition, the Foundation may provide such services as administration of assets, advice, consultation and support to the Board of Regents and the colleges and universities of the University System of Georgia ("the Board of Regents") and their affiliated support organizations. The Foundation year end is December 31st.

Combined component unit's investments are comprised of the following amounts at June 30, 2017:

	Fair Value	Fair Value Hierarchy			NAV
		Level 1	Level 2	Level 3	
U.S. Treasuries	\$ 162,089,963	\$ 116,822,301	\$ 45,267,662		
U.S. Agencies					
Explicitly Guaranteed	2,293,517		2,293,517		
Implicitly Guaranteed	22,255,174	13,558,563	8,696,611		
Bond Securities	239,968,363	134,225,062	56,906,301		\$ 48,837,000
Corporate Debt	67,475,825	3,030,453	64,445,372		
Money Market Mutual Funds	100,081,161	98,003,999	2,077,162		
Municipal Obligations	11,076,104		11,076,104		
Mutual Bond Funds	87,709,222	23,874,374	63,834,848		
Certificates of Deposits	5,594,706	5,594,706			
Repurchase Agreements	47,350,957	16,775,917	30,575,040		
Equity Mutual Funds - Domestic	146,224,095	92,183,466	3,567,504		50,473,125
Equity Mutual Funds - International	308,375,369	283,622,602			24,752,767
Equity Securities - Domestic	508,057,223	507,727,223			330,000
Equity Securities - International	398,700,799	363,970,799			34,730,000
Real Estate Held for Investment Purposes	61,225,402			\$ 61,225,402	
Real Estate Investment Trusts	71,630,661	25,269,110	8,762,276		37,599,275
Natural Resources	143,293,226	33,755,334		16,741,191	92,796,701
Split Interest Investments	1,906,300		1,906,300		
Hedge Funds	697,987,566	28,656,820			669,330,746
Commodity Fund	32,695,661	26,361,345	6,334,316		
Certificates of Deposit	1,136,192	1,136,192			
Other Investments					
Joint Ventures/Partnerships	164,327,133	308,921		109,088,470	54,929,742
Diversifying Strategies	7,288,800				7,288,800
Pooled Investments	296,720		296,720		
Alternative Investments	803,246			803,246	
Private Equities	260,153,102				260,153,102
High Yield Bonds	544,219	544,219			
Closely Held Stock	38,311			38,311	
Partnership - Real Estate	21,655,298				21,655,298
Outside Managed Investments	5,455,310		5,053,189	402,121	
Money Market Funds	20,342	20,342			
Equity ETF	1,956,826	1,956,826			
Accrued Interest & Dividends	587,426	587,426			
Venture Capital	249,667		249,667		
Other Equity	128			128	
Managed Futures/Hedge Funds	7,529,226				7,529,226
	3,588,033,240	\$ 1,777,986,000	\$ 311,342,589	\$ 188,298,869	\$ 1,310,405,782
Investment Pools					
Board of Regents					
Short-Term Fund	75,901,716				
Legal Fund	551,799				
Balanced Income Fund	6,522,592				
Total Return Fund	443,688				
Diversified Fund for Foundations	18,401,086				
Office of the State Treasurer					
Georgia Fund 1	278,700				
Other Pools	27,470				
Total Investments	\$ 3,690,160,291				

Component unit investments of \$97,512,605 are reported as cash and cash equivalents on the Statement of Net Position.

Component unit's noncurrent cash and cash equivalents are restricted assets limited as to use.

Combined component unit's endowments are comprised of the following amounts at June 30, 2017:

	Unrestricted/ Quasi Endowment	Temporarily Restricted/ Term Endowment	Permanently Restricted/ True Endowment	Total
Beginning	\$ 309,479,865	\$ 805,609,072	\$ 1,378,046,056	\$ 2,493,134,993
Contributions	9,408,349	4,793,193	98,375,061	112,576,603
Net realized and unrealized gains	49,158,701	244,863,853	8,176,540	302,199,094
Appropriation of endowment assets for expenditure	(9,937,653)	(84,402,916)	(4,511,763)	(98,852,332)
Transfers to comply with donor intent	8,519,606	(8,947,023)	(11,037,418)	(11,464,835)
Other	5,913,039	9,284,675	3,569,933	18,767,647
Ending	<u>\$ 372,541,907</u>	<u>\$ 971,200,854</u>	<u>\$ 1,472,618,409</u>	<u>\$ 2,816,361,170</u>

Combined amounts due to component units related to direct financing lease activity as of June 30, 2017 is as follows:

Year Ending June 30:	Year:	Total
2018	1	\$ 191,849,143
2019	2	194,285,989
2020	3	193,673,144
2021	4	195,232,147
2022	5	195,865,677
2023 through 2027	6-10	1,108,010,770
2028 through 2032	11-15	884,157,900
2033 through 2037	16-20	644,776,070
2038 through 2042	21-25	276,002,224
2043 through 2047	26-30	3,501,086
Total Minimum Lease Payments to be Received		3,887,354,150
Less: Unearned Income		(1,544,268,482)
Net Investment in Direct Financing Lease Receivable		<u>\$ 2,343,085,668</u>

Combined component unit's capital assets are comprised of the following amounts at June 30, 2017:

Capital Assets not being Depreciated:	
Land and Land Improvements	\$ 134,681,156
Capitalized Collections	3,117,193
Construction Work-in-Progress	54,287,062
Total Capital Assets not being Depreciated	<u>192,085,411</u>
Capital Assets being Depreciated:	
Buildings and Building Improvements	955,952,404
Improvements other than Buildings	210,857,690
Infrastructure	5,516,695
Machinery and Equipment	304,602,864
Software	32,057,651
Total Capital Assets being Depreciated/Amortized	<u>1,508,987,304</u>
Less Total Accumulated Depreciation/Amortization	<u>588,729,867</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>920,257,437</u>
Capital Assets, Net	<u>\$ 1,112,342,848</u>

Combined component unit's long-term liabilities are comprised of the following amounts at June 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts due within One Year
Claims and Judgments	\$ 3,720,756	\$ 81,112	\$ 1,575,564	\$ 2,226,304	\$ 1,575,564
Compensated Absences	17,252,869	6,854,418	4,915,180	19,192,107	19,192,107
Lease Purchase Obligation (Capital Lease)	102,941,792	7,274,894	18,015,571	92,201,115	8,475,621
Liabilities under Split Interest Agreement	27,784,893	2,615,074	1,279,837	29,120,130	2,488,373
Notes and Loans Payable	127,691,899	144,933,606	67,821,342	204,804,163	40,967,360
Note (Discount)/Cost of Issuance	(14,903)		973,286	(988,189)	
Interest Rate Swap	88,204,401		30,347,053	57,857,348	5,619,975
Other Post Employment Benefits Obligation	5,274,929	6,256,863		11,531,792	
Pollution Remediation	660,000		58,659	601,341	601,341
Revenue/Mortgage Bonds Payable	3,082,202,041	447,509,700	497,558,249	3,032,153,492	85,371,263
Unamortized Issuance and Other Bond Related Costs	(65,134,041)	6,943,523	(2,864,525)	(55,325,993)	(1,712,994)
Bond - Premium	92,849,192	48,638,863	10,393,298	131,094,757	798,768
Bond - (Discount)	(10,419,225)	(313,134)	(1,180,784)	(9,551,575)	(16,212)
Total Long Term Liabilities	<u>\$ 3,473,014,603</u>	<u>\$ 670,794,919</u>	<u>\$ 628,892,730</u>	<u>\$ 3,514,916,792</u>	<u>\$ 163,361,166</u>

Combined component unit's capital lease obligations are comprised of the following amounts at June 30, 2017:

Year ending June 30:

2018	1	\$ 13,326,240
2019	2	12,908,747
2020	3	11,802,255
2021	4	10,383,897
2022	5	9,425,571
2023 through 2027	6-10	32,274,716
2028 through 2032	11-15	27,928,119
2033 through 2037	16-20	10,518,184
Total minimum lease payments		<u>128,567,729</u>
Less: Interest		<u>36,366,614</u>
Principal Outstanding		<u>\$ 92,201,115</u>

Combined component unit's notes and loans are comprised of the following amounts at June 30, 2017:

		Principal	Interest	Total
Year ending June 30:				
2018	1	\$ 40,967,360	\$ 4,062,125	\$ 45,029,485
2019	2	91,240,811	4,011,758	95,252,569
2020	3	4,142,378	3,195,193	7,337,571
2021	4	3,143,130	3,077,548	6,220,678
2022	5	3,251,784	2,977,811	6,229,595
2023 through 2027	6-10	50,223,163	6,638,504	56,861,667
2028 through 2032	11-15	6,233,536	1,761,915	7,995,451
2033 through 2037	16-20	4,210,606	586,540	4,797,146
2038 through 2042	21-25	1,391,395	54,973	1,446,368
		<u>204,804,163</u>	<u>26,366,367</u>	<u>231,170,530</u>
Note (Discount)/Cost of Issuance		(988,189)		(988,189)
Total		<u>\$ 203,815,974</u>	<u>\$ 26,366,367</u>	<u>\$ 230,182,341</u>

Combined component unit's bonds payable are comprised of the following amounts at June 30, 2017:

		Principal	Interest	Total
Year ending June 30:				
2018	1	\$ 85,371,263	\$ 127,552,059	\$ 212,923,322
2019	2	94,112,022	126,026,525	220,138,547
2020	3	129,703,552	121,279,087	250,982,639
2021	4	105,173,881	116,190,920	221,364,801
2022	5	128,231,037	111,590,226	239,821,263
2023 through 2027	6-10	648,535,183	461,334,209	1,109,869,392
2028 through 2032	11-15	737,926,854	324,012,183	1,061,939,037
2033 through 2037	16-20	639,580,000	172,938,965	812,518,965
2038 through 2042	21-25	415,915,000	51,320,798	467,235,798
2043 through 2047	26-30	42,530,000	3,749,938	46,279,938
2048 through 2052	31-35	5,074,700	126,000	5,200,700
		<u>3,032,153,492</u>	<u>1,616,120,910</u>	<u>4,648,274,402</u>
Unamortized Issuance and Other Bond Related Costs		(55,325,993)		(55,325,993)
Bond Premium		131,094,757		131,094,757
Bond (Discount)		(9,551,575)		(9,551,575)
Total		<u>\$ 3,098,370,681</u>	<u>\$ 1,616,120,910</u>	<u>\$ 4,714,491,591</u>



UNIVERSITY SYSTEM OF GEORGIA

*Required Supplementary
Information*





UNIVERSITY SYSTEM OF GEORGIA

**UNIVERSITY SYSTEM OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLANS
FOR THE LAST TEN YEARS**

	Year Ended	Actuarially Determined Contribution (a)	Contributions in Relation to the Actuarially Determined Contribution (b)	Contribution Deficiency (Excess) (b-a)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
Early Retirement Plan	6/30/2017	\$ 12,107,903	\$ 13,084,672	\$ 976,769	N/A	N/A
	6/30/2016	\$ 12,760,669	\$ 13,084,672	\$ 324,003	N/A	N/A
	6/30/2015	\$ 12,996,582	\$ 13,084,672	\$ 88,090	N/A	N/A
	6/30/2014	\$ 13,045,051	\$ 13,084,672	\$ 39,621	N/A	N/A
	6/30/2013	\$ 13,055,907	\$ 13,225,850	\$ 169,943	N/A	N/A
	6/30/2012	\$ 12,861,601	\$ 13,225,850	\$ 364,249	N/A	N/A
	6/30/2011	\$ 12,973,559	\$ 13,225,850	\$ 252,291	N/A	N/A
	6/30/2010	\$ 13,050,409	\$ 13,225,850	\$ 175,441	N/A	N/A
	6/30/2009	\$ 13,225,850	\$ 13,225,850	\$ —	N/A	N/A
	6/30/2008	\$ 12,996,492	\$ 12,996,492	\$ —	N/A	N/A
Employees' Retirement System	6/30/2017	\$ 2,963,115	\$ 2,963,115	\$ —	\$ 11,464,596	25.85%
	6/30/2016	\$ 2,674,110	\$ 2,674,110	\$ —	\$ 9,660,262	27.68%
	6/30/2015	\$ 2,094,605	\$ 2,094,605	\$ —	\$ 9,219,622	22.72%
	6/30/2014	\$ 1,631,633	\$ 1,631,633	\$ —	\$ 8,690,850	18.77%
	6/30/2013	\$ 1,238,577	\$ 1,238,577	\$ —	\$ 8,312,597	14.90%
	6/30/2012	\$ 896,604	\$ 896,604	\$ —	\$ 7,701,668	11.64%
	6/30/2011	\$ 709,947	\$ 709,947	\$ —	\$ 6,819,856	10.41%
	6/30/2010	\$ 665,448	\$ 665,448	\$ —	\$ 6,392,392	10.41%
	6/30/2009	\$ 687,652	\$ 687,652	\$ —	\$ 6,568,751	10.47%
	6/30/2008	\$ 602,995	\$ 602,995	\$ —	\$ 5,732,353	10.52%
Teachers' Retirement System	6/30/2017	\$ 246,086,468	\$ 246,086,468	\$ —	\$ 1,724,389,667	14.27%
	6/30/2016	\$ 232,397,988	\$ 232,397,988	\$ —	\$ 1,571,067,875	14.79%
	6/30/2015	\$ 203,874,344	\$ 203,874,344	\$ —	\$ 1,542,770,677	13.21%
	6/30/2014	\$ 181,383,954	\$ 181,383,954	\$ —	\$ 1,477,068,029	12.28%
	6/30/2013	\$ 164,293,969	\$ 164,293,969	\$ —	\$ 1,439,912,086	11.41%
	6/30/2012	\$ 148,193,749	\$ 148,193,749	\$ —	\$ 1,441,573,434	10.28%
	6/30/2011	\$ 143,479,549	\$ 143,479,549	\$ —	\$ 1,395,715,457	10.28%
	6/30/2010	\$ 135,361,497	\$ 135,361,497	\$ —	\$ 1,389,748,429	9.74%
	6/30/2009	\$ 128,072,380	\$ 128,072,380	\$ —	\$ 1,380,090,302	9.28%
	6/30/2008	\$ 122,832,156	\$ 122,832,156	\$ —	\$ 1,323,622,371	9.28%

**UNIVERSITY SYSTEM OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS
FOR THE LAST THREE FISCAL YEARS***

	Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Employees' Retirement System	6/30/2017	0.44%	\$ 20,881,541	\$ 10,285,916	203.01%	72.34%
	6/30/2016	0.40%	\$ 16,237,112	\$ 9,219,622	176.11%	76.20%
	6/30/2015	0.39%	\$ 14,722,566	\$ 8,690,850	169.40%	77.99%
Teachers Retirement System	6/30/2017	14.87%	\$ 3,067,576,327	\$ 1,626,552,148	188.59%	76.06%
	6/30/2016	14.74%	\$ 2,243,998,382	\$ 1,542,770,677	145.45%	81.44%
	6/30/2015	14.52%	\$ 1,835,025,616	\$ 1,477,068,029	124.23%	84.03%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
EARLY RETIREMENT PLAN - AUGUSTA UNIVERSITY
SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN
FOR THE LAST FOUR FISCAL YEARS*
(Dollar amounts in millions)**

	2017	2016	2015	2014
<u>Total Pension Liability</u>				
Interest	\$ 10.9	\$ 10.3	\$ 10.4	\$ 10.6
Differences Between Expected and Actual Experience	0.1	1.3	1.3	(0.1)
Changes of Assumptions		9.9		
Benefit Payments/Refunds	(13.6)	(13.5)	(13.3)	(13.1)
Net Change in Total Pension Liability	(2.6)	8	(1.6)	(2.6)
Total Pension Liability - Beginning	151.8	143.8	145.4	148
Total Pension Liability - Ending (a)	<u>\$ 149.2</u>	<u>\$ 151.8</u>	<u>\$ 143.8</u>	<u>\$ 145.4</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	\$ 13.1	\$ 13.1	\$ 13.1	\$ 13.1
Net Investment Income	10.6	1.6	3.1	11.8
Benefit Payments/Refunds	(13.6)	(13.5)	(13.3)	(13.1)
Net Change in Plan Fiduciary Net Position	10.1	1.2	2.9	11.8
Plan Fiduciary Net Position - Beginning	80.3	79.1	76.2	64.4
Plan Fiduciary Net Position - Ending (b)	<u>\$ 90.4</u>	<u>\$ 80.3</u>	<u>\$ 79.1</u>	<u>\$ 76.2</u>
Net Pension Liability Ending (a - b)	<u>\$ 58.8</u>	<u>\$ 71.5</u>	<u>\$ 64.7</u>	<u>\$ 69.2</u>

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYERS' AND NONEMPLOYERS' NET PENSION LIABILITY
EARLY RETIREMENT PLAN - AUGUSTA UNIVERSITY
SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN
FOR THE LAST FOUR FISCAL YEARS*
(Dollar amounts in millions)**

	2017	2016	2015	2014
Total Pension Liability	\$ 149.2	\$ 151.8	\$ 143.8	\$ 145.4
Plan Fiduciary Net Position	90.4	80.3	79.1	76.2
Net Pension Liability	<u>\$ 58.8</u>	<u>\$ 71.5</u>	<u>\$ 64.7</u>	<u>\$ 69.2</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.6%	52.9%	55.0%	52.4%
Covered Payroll	N/A	N/A	N/A	N/A
Employers' and Nonemployers' Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

UNIVERSITY SYSTEM OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
EARLY RETIREMENT PLAN - AUGUSTA UNIVERSITY
SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN
FOR THE LAST FOUR FISCAL YEARS*

	2017	2016	2015	2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	13.39%	2.02%	4.13%	18.35%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
DEFINED BENEFIT PENSION PLANS
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

Changes of assumptions

Early Retirement Plan:

The expectation of retired life mortality was changed effective June 30, 2016 to the RP-2014 Mortality Table rather than the RP-2000 Mortality Table used previously. Mortality rates were adjusted to better recognize current and future mortality improvements.

Employees' Retirement System:

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases.

Teachers Retirement System:

In 2010 and later, the expectation of retired life mortality was changed to the RP - 2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP - 2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

**UNIVERSITY SYSTEM OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
BOARD OF REGENTS RETIREE HEALTH BENEFIT FUND
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
FOR OTHER POSTEMPLOYMENT BENEFITS
FISCAL YEAR ENDED JUNE 30, 2017**

Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (9b-a)/c)
7/1/2014	\$ 81,519	\$ 4,278,445,406	\$ 4,278,363,887	0.0%	\$ 2,608,756,645	164.0%
7/1/2015*	\$ 280,596	\$ 2,657,095,907	\$ 2,656,815,311	0.0%	\$ 3,087,013,265	86.1%
7/1/2016	\$ 2,898,502	\$ 3,068,725,854	\$ 3,065,827,352	0.1%	\$ 2,855,308,903	107.4%

Employer Contributions (dollar amounts in millions):

Fiscal Year Ended	Annual OPEB Cost	Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 450.1	\$ 129.8	28.8%	\$ 2,163.4
2016*	\$ 304.3	\$ 111.8	36.7%	\$ 2,355.9
2017	\$ 359.8	\$ 99.6	27.7%	\$ 2,616.1

*Changes in Plan Provisions: Effective January 1, 2016, all post-65 Medicare eligible retirees access medical coverage through an individual Healthcare Exchange marketplace. The Board of Regents of the University System of Georgia provides an annual fixed dollar HRA contribution for these retirees.

**UNIVERSITY SYSTEM OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
SINGLE EMPLOYER DEFINED BENEFIT OPEB PLAN
FOR FISCAL YEAR ENDED 2017***

	2017
<u>Total OPEB Liability</u>	
Service Cost	\$ 211,512,614
Interest	124,612,066
Differences Between Expected and Actual Experience	123,090,290
Changes of Assumptions	(347,330,873)
Benefit Payments/Refunds	(89,653,306)
	<hr/>
Net Change in Total OPEB Liability	22,230,791
Total OPEB Liability - Beginning	4,205,352,304
	<hr/>
Total OPEB Liability - Ending (a)	<u><u>\$ 4,227,583,095</u></u>
<u>Plan Fiduciary Net Position</u>	
Contributions - Employer	\$ 99,583,903
Net Investment Income	72,961
Administrative Expense	(5,044,837)
Benefit Payments/Refunds	(89,653,306)
	<hr/>
Net Change in Plan Fiduciary Net Position	4,958,721
Plan Fiduciary Net Position - Beginning	2,898,502
	<hr/>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 7,857,223</u></u>
	<hr/>
Net OPEB Liability Ending (a - b)	<u><u>\$ 4,219,725,872</u></u>

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

UNIVERSITY SYSTEM OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET OPEB LIABILITY
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
SINGLE EMPLOYER DEFINED BENEFIT OPEB PLAN
FOR FISCAL YEAR ENDED 2017*

	2017
Total OPEB Liability	\$ 4,227,583,095
Plan Fiduciary Net Position	<u>7,857,223</u>
Net OPEB Liability	<u>\$ 4,219,725,872</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.19%
Covered Employee Payroll	\$ 2,855,308,903
Net OPEB Liability as a Percentage of Covered Employee Payroll	147.79%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
SINGLE EMPLOYER DEFINED BENEFIT OPEB PLAN
FOR FISCAL YEAR ENDED 2017***

	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	<u>0.99%</u>

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**UNIVERSITY SYSTEM OF GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
BOARD OF REGENTS RETIREE HEALTH BENEFIT PLAN
SINGLE EMPLOYER DEFINED BENEFIT OPEB PLAN
METHODS AND ASSUMPTIONS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

Changes in Assumptions Since Prior Valuation

Expected claim costs were updated to reflect actual claims experience. Trend was reset based on current conditions. Disability, termination, retirement, and disabled mortality tables were updated to reflect the current Teachers Retirement System of Georgia methodology.



UNIVERSITY SYSTEM OF GEORGIA

Supplementary Information





UNIVERSITY SYSTEM OF GEORGIA

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Abraham Baldwin Agricultural College	Albany State University	Armstrong State University	Atlanta Metropolitan State College
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 6,958,418	\$ 7,626,137	\$ 19,225,870	\$ 431,170
Short-term Investments	118,829	—	—	—
Accounts Receivable, net	—	—	—	—
Federal Financial Assistance	403,920	2,640,914	963,951	338,409
Affiliated Organizations	50,225	—	10,613	—
Component Units	—	—	—	—
Primary Government	—	—	—	—
Other	2,221,532	4,264,486	3,047,068	2,779,146
Notes Receivable, net	—	—	—	—
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Inventories	358,110	—	—	—
Prepaid Items	5,994	31,040	3,217,146	170,979
Other Assets	—	—	—	—
Total Current Assets	10,117,028	14,562,577	26,464,648	3,719,704
Non-Current Assets				
Cash & Cash Equivalents	—	—	—	—
Accounts Receivable, net	—	—	—	—
Affiliated Organizations	—	—	—	—
Component Units	—	—	—	—
Due From USO - Capital Liability Reserve Fund	—	801,382	220,862	69,628
Due From Institution - Capital Liability Reserve Fund	—	—	—	—
Pledges & Contributions	—	—	—	—
Other	—	—	—	—
Investments	—	—	25,500	—
Notes Receivable, net	241,641	313,864	—	—
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Other Assets	—	—	—	—
Non-current Cash (Externally Restricted)	—	—	155,999	—
Short-term Investments (Externally Restricted)	—	—	—	—
Investments (Externally Restricted)	—	—	3,353,119	—
Capital Assets, net	57,576,314	202,866,457	107,401,784	36,102,704
Total Non-Current Assets	57,817,955	203,981,703	111,157,264	36,172,332
TOTAL ASSETS	67,934,983	218,544,280	137,621,912	39,892,036
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Debt Refunding	—	—	643,071	—
Deferred Loss on Defined Benefit Pension Plans	5,068,939	14,205,729	8,176,753	4,303,511
Accumulated Decrease in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 5,068,939	\$ 14,205,729	\$ 8,819,824	\$ 4,303,511

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Abraham Baldwin Agricultural College	Albany State University	Armstrong State University	Atlanta Metropolitan State College
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 647,807	\$ 799,371	\$ 320,867	\$ 633,339
Salaries Payable	213,267	386,501	262,711	129,549
Benefits Payable	76,723	128,044	170,638	43,319
Contracts Payable	379,654	198,437	160,690	318,017
Retainage Payable	93,645	106,165	12,325	140,383
Interest Payable	—	—	—	—
Due to Affiliated Organizations	—	—	—	—
Due to Component Units	—	—	—	—
Due to Primary Government	—	—	—	—
Advances (Including Tuition & Fees)	647,368	3,270,295	2,867,105	834,063
Deposits	165,840	333,949	41,822	2,597
Deposits Held for Other Organizations	896,346	1,655,117	935,541	879,086
Other Liabilities	—	—	90,557	16,948
Notes & Loans Payable	—	—	—	—
Lease Purchase Obligations - External	23,640	2,399,277	—	184,732
Lease Purchase Obligations - Component Units	—	290,525	1,238,420	—
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	—	—	—
Claims & Judgments	—	—	—	355,189
Compensated Absences	562,011	1,263,165	1,388,670	465,055
Total Current Liabilities	3,706,301	10,830,846	7,489,346	4,002,277
Non-Current Liabilities				
Due to Affiliated Organizations	—	—	—	—
Due to Primary Government	—	—	—	—
Due to Other Funds	—	—	—	—
Advances (Including Tuition & Fees)	—	—	—	—
Other Liabilities	—	—	—	—
Notes & Loans Payable	—	—	—	—
Lease Purchase Obligations - External	50,408	90,449,414	—	9,672,510
Lease Purchase Obligations - Component Units	—	19,377,958	37,419,782	—
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	—	—	—
Claims & Judgments	—	—	—	1,364,004
Compensated Absences	380,893	1,158,619	595,144	363,498
Other Post Employment Benefits Obligation	—	—	—	—
Net Pension Liability	18,576,021	57,829,522	31,481,710	17,083,388
Total Non-Current Liabilities	19,007,322	168,815,513	69,496,636	28,483,400
TOTAL LIABILITIES	\$ 22,713,623	\$ 179,646,359	\$ 76,985,982	\$ 32,485,677

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Abraham Baldwin Agricultural College	Albany State University	Armstrong State University	Atlanta Metropolitan State College
DEFERRED INFLOWS OF RESOURCES				
Deferred Gain on Debt Refunding	\$ —	\$ 1,155,142	\$ 2,960,360	\$ —
Deferred Funds Received in Advance of Timing Requirements	—	100,000	—	—
Deferred Service Concession Arrangements	—	—	—	—
Deferred Gain on Defined Benefit Pension Plans	299,596	4,562,861	905,806	299,328
Accumulated Increase in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>299,596</u>	<u>5,818,003</u>	<u>3,866,166</u>	<u>299,328</u>
NET POSITION				
Net Investment in Capital Assets	57,028,967	88,889,539	66,426,293	25,787,062
Restricted for:				
Nonexpendable	—	—	3,479,659	—
Expendable	664,977	455,789	323,107	77,092
Capital Projects				
Higher Education				
Unrestricted (Deficit)	<u>(7,703,241)</u>	<u>(42,059,681)</u>	<u>(4,639,471)</u>	<u>(14,453,612)</u>
TOTAL NET POSITION	<u>\$ 49,990,703</u>	<u>\$ 47,285,647</u>	<u>\$ 65,589,588</u>	<u>\$ 11,410,542</u>

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Augusta University	Bainbridge State College	Clayton State University	College of Coastal Georgia
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 13,058,900	\$ 755,070	\$ 6,402,569	\$ 3,722,460
Short-term Investments	—	—	—	—
Accounts Receivable, net				
Federal Financial Assistance	8,976,659	442,193	786,220	102,678
Affiliated Organizations	553,799	11,349	1,843,822	200,474
Component Units	37,163,716	—	—	—
Primary Government	—	—	—	—
Other	33,612,275	1,274,305	4,788,761	1,052,026
Notes Receivable, net	—	—	—	—
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Inventories	843,658	—	772,311	31,545
Prepaid Items	13,144,846	13,363	183,066	198,087
Other Assets	—	—	—	—
Total Current Assets	107,353,853	2,496,280	14,776,749	5,307,270
Non-Current Assets				
Cash & Cash Equivalents	—	—	—	—
Accounts Receivable, net				
Affiliated Organizations	—	—	—	—
Component Units	—	—	—	—
Due From USO - Capital Liability Reserve Fund	197,730	—	578,205	77,550
Due From Institution - Capital Liability Reserve Fund	—	—	—	—
Pledges & Contributions	—	—	—	—
Other	—	—	—	—
Investments	82,393,086	74,999	—	—
Notes Receivable, net	2,686,925	—	6,188	—
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Other Assets	—	—	—	—
Non-current Cash (Externally Restricted)	—	1,588	—	—
Short-term Investments (Externally Restricted)	—	—	—	—
Investments (Externally Restricted)	2,408,636	1,794,967	—	150,028
Capital Assets, net	526,986,011	50,550,993	130,471,928	68,503,754
Total Non-Current Assets	614,672,388	52,422,547	131,056,321	68,731,332
TOTAL ASSETS	722,026,241	54,918,827	145,833,070	74,038,602
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Debt Refunding	2,808,243	—	—	—
Deferred Loss on Defined Benefit Pension Plans	91,979,969	2,559,291	8,601,183	3,071,654
Accumulated Decrease in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 94,788,212	\$ 2,559,291	\$ 8,601,183	\$ 3,071,654

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Augusta University	Bainbridge State College	Clayton State University	College of Coastal Georgia
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 7,133,767	\$ 653,748	\$ 1,794,995	\$ 550,329
Salaries Payable	3,116,835	75,603	339,226	164,322
Benefits Payable	2,391,267	25,989	89,524	55,323
Contracts Payable	1,457,960	—	—	—
Retainage Payable	346,850	—	—	—
Interest Payable	—	—	—	—
Due to Affiliated Organizations	987,096	—	155,269	28,243
Due to Component Units	4,640,632	—	—	—
Due to Primary Government	—	—	—	—
Advances (Including Tuition & Fees)	48,859,656	533,898	1,728,330	758,354
Deposits	—	—	37,796	14,205
Deposits Held for Other Organizations	2,686,891	763,560	593,321	250,544
Other Liabilities	—	3,937	7,017	—
Notes & Loans Payable	—	—	—	—
Lease Purchase Obligations - External	1,431,449	320,746	—	259,411
Lease Purchase Obligations - Component Units	2,202,435	—	1,352,557	—
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	—	—	—
Claims & Judgments	—	—	—	—
Compensated Absences	21,347,559	217,449	1,367,910	448,116
Total Current Liabilities	96,602,397	2,594,930	7,465,945	2,528,847
Non-Current Liabilities				
Due to Affiliated Organizations	—	—	—	—
Due to Primary Government	—	—	—	—
Due to Other Funds	—	—	—	—
Advances (Including Tuition & Fees)	—	—	—	—
Other Liabilities	—	—	—	—
Notes & Loans Payable	—	—	—	—
Lease Purchase Obligations - External	3,090,915	17,788,041	—	11,301,648
Lease Purchase Obligations - Component Units	48,801,402	—	77,616,325	—
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	—	—	—
Claims & Judgments	—	—	—	—
Compensated Absences	17,634,667	84,663	801,960	222,404
Other Post Employment Benefits Obligation	—	—	—	—
Net Pension Liability	405,908,449	10,552,521	34,741,864	12,050,754
Total Non-Current Liabilities	475,435,433	28,425,225	113,160,149	23,574,806
TOTAL LIABILITIES	\$ 572,037,830	\$ 31,020,155	\$ 120,626,094	\$ 26,103,653

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Augusta University	Bainbridge State College	Clayton State University	College of Coastal Georgia
DEFERRED INFLOWS OF RESOURCES				
Deferred Gain on Debt Refunding	\$ 847,464	\$ —	\$ —	\$ —
Deferred Funds Received in Advance of Timing Requirements	—	—	—	30,000
Deferred Service Concession Arrangements	—	—	—	—
Deferred Gain on Defined Benefit Pension Plans	13,197,249	1,903,982	1,009,664	209,565
Accumulated Increase in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED INFLOWS OF RESOURCES	14,044,713	1,903,982	1,009,664	239,565
NET POSITION				
Net Investment in Capital Assets	472,466,154	32,442,206	51,503,046	56,942,695
Restricted for:				
Nonexpendable	2,408,636	1,799,668	1,647,959	68,879
Expendable	43,789,490	212,056	8,835	112,557
Capital Projects				
Higher Education				
Unrestricted (Deficit)	(287,932,370)	(9,899,949)	(20,361,345)	(6,357,093)
TOTAL NET POSITION	\$ 230,731,910	\$ 24,553,981	\$ 32,798,495	\$ 50,767,038

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Columbus State University	Dalton State College	East Georgia State College	Fort Valley State University
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 17,325,943	\$ 6,935,822	\$ 2,033,131	\$ 4,256,949
Short-term Investments	104,258			
Accounts Receivable, net				—
Federal Financial Assistance	2,504,691	451,229	1,236,343	3,415,533
Affiliated Organizations	443,744	585,382	121	763,674
Component Units	—	—	—	—
Primary Government	—	—	—	—
Other	2,821,022	554,265	927,346	—
Notes Receivable, net	—	—	—	—
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Inventories	—	11,406	12,583	—
Prepaid Items	561,621	48,040	2,082	72,330
Other Assets	—	—	—	—
Total Current Assets	23,761,279	8,586,144	4,211,606	8,508,486
Non-Current Assets				
Cash & Cash Equivalents	—	—	—	—
Accounts Receivable, net	—	—	—	—
Affiliated Organizations	—	—	—	—
Component Units	—	—	—	—
Due From USO - Capital Liability Reserve Fund	259,144	46,314	—	650,273
Due From Institution - Capital Liability Reserve Fund	—	—	—	—
Pledges & Contributions	—	—	—	—
Other	—	—	—	—
Investments	2,858,307	—	4,800	69,413
Notes Receivable, net	787,432	—	—	1,027,837
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Other Assets	—	—	—	—
Non-current Cash (Externally Restricted)	401,367	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—
Investments (Externally Restricted)	2,125,115	—	40,262	—
Capital Assets, net	110,718,848	48,765,998	25,725,433	145,221,517
Total Non-Current Assets	117,150,213	48,812,312	25,770,495	146,969,040
TOTAL ASSETS	140,911,492	57,398,456	29,982,101	155,477,526
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Debt Refunding	—	—	—	383,752
Deferred Loss on Defined Benefit Pension Plans	12,165,845	5,364,860	3,311,939	8,178,321
Accumulated Decrease in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 12,165,845	\$ 5,364,860	\$ 3,311,939	\$ 8,562,073

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Columbus State University	Dalton State College	East Georgia State College	Fort Valley State University
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 2,223,392	\$ 328,205	\$ 401,809	\$ 1,575,164
Salaries Payable	438,452	178,780	136,541	165,668
Benefits Payable	151,404	114,452	48,483	66,222
Contracts Payable	98,861	—	—	15,024
Retainage Payable	—	—	148,001	92,044
Interest Payable	—	—	—	—
Due to Affiliated Organizations	—	—	—	—
Due to Component Units	—	—	—	—
Due to USO - Capital Liability Reserve Fund	—	—	—	321,895
Advances (Including Tuition & Fees)	4,899,825	852,956	377,358	1,045,266
Deposits	250	12,791	13,800	1,406
Deposits Held for Other Organizations	1,413,245	557,706	100,542	509,850
Other Liabilities	—	—	—	—
Notes & Loans Payable	—	—	—	—
Lease Purchase Obligations - External	—	—	1,529	272,913
Lease Purchase Obligations - Component Units	1,538,116	122,954	—	—
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	—	—	—
Claims & Judgments	—	—	—	232,183
Compensated Absences	1,624,131	490,369	372,387	1,262,733
Total Current Liabilities	12,387,676	2,658,213	1,600,450	5,560,368
Non-Current Liabilities				
Due to Affiliated Organizations	—	—	—	—
Due to Primary Government	—	—	—	—
Due to Other Funds	—	—	—	—
Advances (Including Tuition & Fees)	—	—	—	—
Other Liabilities	—	—	—	—
Notes & Loans Payable	—	—	—	—
Lease Purchase Obligations - External	—	5,968,817	2,960	76,280,405
Lease Purchase Obligations - Component Units	42,500,858	—	—	—
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	—	—	—
Claims & Judgments	—	—	—	232,183
Compensated Absences	1,172,087	201,853	240,923	661,487
Other Post Employment Benefits Obligation	—	—	—	—
Net Pension Liability	47,241,764	19,944,924	11,574,056	33,447,370
Total Non-Current Liabilities	90,914,709	26,115,594	11,817,939	110,621,445
TOTAL LIABILITIES	\$ 103,302,385	\$ 28,773,807	\$ 13,418,389	\$ 116,181,813

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Columbus State University	Dalton State College	East Georgia State College	Fort Valley State University
DEFERRED INFLOWS OF RESOURCES				
Deferred Gain on Debt Refunding	\$ —	\$ 597,862	\$ —	\$ 3,778,043
Deferred Funds Received in Advance of Timing Requirements	180,000	—	—	—
Deferred Service Concession Arrangements	—	—	—	—
Deferred Gain on Defined Benefit Pension Plans	1,336,058	254,291	310,969	3,832,418
Accumulated Increase in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED INFLOWS OF RESOURCES	1,516,058	852,153	310,969	7,610,461
NET POSITION				
Net Investment in Capital Assets	66,581,013	42,076,365	25,572,942	65,166,840
Restricted for:				
Nonexpendable	1,900,159	—	37,100	—
Expendable	3,910,713	1,961	49,291	2,960,325
Capital Projects				
Higher Education				
Unrestricted (Deficit)	(24,132,991)	(8,940,970)	(6,094,651)	(27,879,840)
TOTAL NET POSITION	\$ 48,258,894	\$ 33,137,356	\$ 19,564,682	\$ 40,247,325

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Georgia College & State University	Georgia Gwinnett College	Georgia Highlands College	Georgia Institute of Technology
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 23,531,023	\$ 28,606,556	\$ 5,201,925	\$ 295,827,482
Short-term Investments		—		156,645
Accounts Receivable, net				
Federal Financial Assistance	312,973	280,093	1,753,967	9,556,347
Affiliated Organizations	206,099	—	53,195	—
Component Units	—	41,214	—	76,864,935
Primary Government	—	—	—	—
Other	3,722,223	1,527,775	4,241,670	31,146,193
Notes Receivable, net	—	—	—	—
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Inventories	296,620	—	—	941,999
Prepaid Items	1,924,777	590,305	81,658	16,485,440
Other Assets	—	—	—	—
Total Current Assets	29,993,715	31,045,943	11,332,415	430,979,041
Non-Current Assets				
Cash & Cash Equivalents		—	—	—
Accounts Receivable, net				
Affiliated Organizations	1,968,206	—	—	—
Component Units	—	—	—	—
Due From USO - Capital Liability Reserve Fund	1,081,968	1,507,117	115,505	2,275,907
Due From Institution - Capital Liability Reserve Fund	—	—	—	—
Pledges & Contributions	—	—	—	—
Other	—	—	—	—
Investments	3,917,350	—	39,054	11,386,498
Notes Receivable, net	1,696,125	—	—	11,994,191
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Other Assets	—	—	—	—
Non-current Cash (Externally Restricted)	206,064	—	—	81,539
Short-term Investments (Externally Restricted)	—	—	—	—
Investments (Externally Restricted)	3,970,284	—	—	65,177,165
Capital Assets, net	175,098,603	235,852,195	50,356,547	1,901,947,788
Total Non-Current Assets	187,938,600	237,359,312	50,511,106	1,992,863,088
TOTAL ASSETS	217,932,315	268,405,255	61,843,521	2,423,842,129
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Debt Refunding	—	19,742,274	—	—
Deferred Loss on Defined Benefit Pension Plans	17,154,919	17,467,263	5,296,829	135,937,111
Accumulated Decrease in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 17,154,919	\$ 37,209,537	\$ 5,296,829	\$ 135,937,111

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Georgia College & State University	Georgia Gwinnett College	Georgia Highlands College	Georgia Institute of Technology
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 3,258,942	\$ 3,019,187	\$ 612,597	\$ 78,445,216
Salaries Payable	405,575	447,563	—	2,580,227
Benefits Payable	190,747	547,813	102,024	632,069
Contracts Payable	234,757	54,245	—	9,883,993
Retainage Payable	404,857	18,160	7,970	2,893,949
Interest Payable	—	—	—	—
Due to Affiliated Organizations	—	—	—	123,644
Due to Component Units	3,652	4,068	—	—
Due to Primary Government	—	—	—	—
Advances (Including Tuition & Fees)	1,860,037	2,331,612	5,239,055	25,052,116
Deposits	345,175	930,590	2,685	8,922,245
Deposits Held for Other Organizations	863,275	357,370	370,718	14,731,344
Other Liabilities	755,609	67,524	41,760	406,178
Notes & Loans Payable	—	—	—	1,077,628
Lease Purchase Obligations - External	982,044	1,091,599	380,812	3,371,074
Lease Purchase Obligations - Component Units	2,146,083	3,529,545	—	15,631,198
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	—	—	443,715
Claims & Judgments	—	—	—	—
Compensated Absences	2,259,976	1,270,345	691,546	36,219,301
Total Current Liabilities	13,710,729	13,669,621	7,449,167	200,413,897
Non-Current Liabilities				
Due to Affiliated Organizations	—	—	—	—
Due to Primary Government	—	—	—	—
Due to Other Funds	—	—	—	—
Advances (Including Tuition & Fees)	—	—	—	—
Other Liabilities	—	—	—	—
Notes & Loans Payable	—	—	—	6,335,037
Lease Purchase Obligations - External	34,527,289	5,679,830	15,733,671	81,770,826
Lease Purchase Obligations - Component Units	84,779,839	160,206,552	—	342,688,369
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	—	—	—
Claims & Judgments	—	—	—	—
Compensated Absences	652,039	739,918	195,590	13,321,321
Other Post Employment Benefits Obligation	—	—	—	—
Net Pension Liability	57,295,261	45,313,387	21,744,717	474,811,843
Total Non-Current Liabilities	177,254,428	211,939,687	37,673,978	918,927,396
TOTAL LIABILITIES	\$ 190,965,157	\$ 225,609,308	\$ 45,123,145	\$ 1,119,341,293

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Georgia College & State University	Georgia Gwinnett College	Georgia Highlands College	Georgia Institute of Technology
DEFERRED INFLOWS OF RESOURCES				
Deferred Gain on Debt Refunding	\$ 3,552,044	\$ —	\$ —	
Deferred Funds Received in Advance of Timing Requirements	1,168,102	—	—	10,536,383
Deferred Service Concession Arrangements	—	2,537,067	—	—
Deferred Gain on Defined Benefit Pension Plans	298,405	293,718	1,092,351	2,342,427
Accumulated Increase in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED INFLOWS OF RESOURCES	5,018,551	2,830,785	1,092,351	12,878,810
NET POSITION				
Net Investment in Capital Assets	53,062,796	82,594,909	34,242,064	1,435,060,932
Restricted for:				
Nonexpendable	4,063,223	—	39,056	65,258,703
Expendable	5,032,330	75,253	(89,079)	29,277,394
Capital Projects				
Higher Education				
Unrestricted (Deficit)	(23,054,823)	(5,495,463)	(13,267,187)	(102,037,892)
TOTAL NET POSITION	\$ 39,103,526	\$ 77,174,699	\$ 20,924,854	\$ 1,427,559,137

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Georgia Southern University	Georgia Southwestern State University	Georgia State University	Gordon State College
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 47,241,926	\$ 7,856,498	\$ 198,846,133	\$ 11,043,459
Short-term Investments		—		
Accounts Receivable, net				
Federal Financial Assistance	9,100,986	66,959	21,856,820	249,221
Affiliated Organizations	2,146,401	—	28,940	—
Component Units	532,799	—	22,139,877	—
Primary Government	—	—	—	—
Other	4,847,216	1,407,946	5,655,446	473,789
Notes Receivable, net	—	—	—	—
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other				
Inventories	3,870,190	618,075	335,943	311,685
Prepaid Items	120,828	284,522	4,547,473	135,821
Other Assets	—	—	—	—
Total Current Assets	67,860,346	10,234,000	253,410,632	12,213,975
Non-Current Assets				
Cash & Cash Equivalents	—	—		—
Accounts Receivable, net				
Affiliated Organizations		—	1,632,624	—
Component Units	3,096,400	—	—	—
Due From USO - Capital Liability Reserve Fund	1,778,721	267,598	1,414,211	355,150
Due From Institution - Capital Liability Reserve Fund	—	—	—	—
Pledges & Contributions	—	—	—	—
Other	—	—	—	—
Investments	3,514,532	316,579	—	—
Notes Receivable, net	2,284,467	753,081	4,779,626	—
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Other Assets	—	—	—	—
Non-current Cash (Externally Restricted)	—	—	516,121	—
Short-term Investments (Externally Restricted)	—	—	—	—
Investments (Externally Restricted)	2,465,814	462,622	118,725	—
Capital Assets, net	544,814,556	84,243,490	970,886,936	83,653,681
Total Non-Current Assets	557,954,490	86,043,370	979,348,243	84,008,831
TOTAL ASSETS	625,814,836	96,277,370	1,232,758,875	96,222,806
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Debt Refunding	—	—	—	—
Deferred Loss on Defined Benefit Pension Plans	35,927,101	3,563,067	89,512,601	4,719,592
Accumulated Decrease in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 35,927,101	\$ 3,563,067	\$ 89,512,601	\$ 4,719,592

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Georgia Southern University	Georgia Southwestern State University	Georgia State University	Gordon State College
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 6,049,138	\$ 834,990	\$ 19,429,207	\$ 594,662
Salaries Payable	1,694,738	344,382	3,443,866	160,564
Benefits Payable	538,329	79,885	6,405,859	75,389
Contracts Payable	1,612,900	—	8,101,938	5,430
Retainage Payable	250,100	57,875	1,809,144	—
Interest Payable	—	—	—	—
Due to Affiliated Organizations	413,854	—	—	—
Due to Component Units	—	—	1,864,367	—
Due to Primary Government	—	—	—	—
Advances (Including Tuition & Fees)	7,002,707	3,292,448	27,175,256	392,284
Deposits	841,222	83,865	32,985	97,126
Deposits Held for Other Organizations	1,413,543	99,997	2,678,738	597,094
Other Liabilities	510	(20,245)	414,244	—
Notes & Loans Payable	138,559	—	—	—
Lease Purchase Obligations - External	362,762	718,273	1,596,836	—
Lease Purchase Obligations - Component Units	7,377,366	—	7,433,260	1,053,520
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	—	—	—
Claims & Judgments	—	—	—	—
Compensated Absences	5,191,853	584,220	12,175,215	546,684
Total Current Liabilities	32,887,581	6,075,690	92,560,915	3,522,753
Non-Current Liabilities				
Due to Affiliated Organizations	—	—	—	—
Due to Primary Government	—	—	—	—
Due to Other Funds	—	—	—	—
Advances (Including Tuition & Fees)	—	—	—	—
Other Liabilities	—	—	—	—
Notes & Loans Payable	1,109,449	—	—	—
Lease Purchase Obligations - External	21,333,376	35,892,311	33,393,254	—
Lease Purchase Obligations - Component Units	190,916,687	—	205,621,844	40,649,810
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	—	—	—
Claims & Judgments	—	—	—	—
Compensated Absences	2,036,051	306,093	8,412,097	187,758
Other Post Employment Benefits Obligation	—	—	—	—
Net Pension Liability	129,274,638	13,801,726	336,526,348	19,243,496
Total Non-Current Liabilities	344,670,201	50,000,130	583,953,543	60,081,064
TOTAL LIABILITIES	\$ 377,557,782	\$ 56,075,820	\$ 676,514,458	\$ 63,603,817

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Georgia Southern University	Georgia Southwestern State University	Georgia State University	Gordon State College
DEFERRED INFLOWS OF RESOURCES				
Deferred Gain on Debt Refunding	\$ 2,766,548	\$ —	\$ 6,163,284	\$ —
Deferred Funds Received in Advance of Timing Requirements	—	—	21,062,136	943,789
Deferred Service Concession Arrangements	—	—	—	—
Deferred Gain on Defined Benefit Pension Plans	649,150	679,307	7,454,902	571,065
Accumulated Increase in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED INFLOWS OF RESOURCES	3,415,698	679,307	34,680,322	1,514,854
NET POSITION				
Net Investment in Capital Assets	319,347,566	47,458,468	706,756,462	41,944,921
Restricted for:				
Nonexpendable	2,465,814	462,622	105,317	—
Expendable	7,937,634	1,091,742	32,555,999	7,348
Capital Projects				
Higher Education				
Unrestricted (Deficit)	(48,982,557)	(5,927,522)	(128,341,082)	(6,128,542)
TOTAL NET POSITION	\$ 280,768,457	\$ 43,085,310	\$ 611,076,696	\$ 35,823,727

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Kennesaw State University	Middle Georgia State University	Savannah State University	South Georgia State College
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 99,371,173	\$ 9,209,701	\$ 4,807,172	\$ 3,567,582
Short-term Investments			408,276	
Accounts Receivable, net				
Federal Financial Assistance	2,535,087	84,025	1,931,509	339,989
Affiliated Organizations	3,918,599	316,951	—	84,793
Component Units	3,390,308	—	—	—
Primary Government	—	—	—	—
Other	9,932,545	2,587,359	5,740,261	595,443
Notes Receivable, net	—	—	—	—
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Inventories	3,198,795	1,429,133	83,196	279,144
Prepaid Items	2,122,766	81,592	135,155	432,613
Other Assets	—	—	—	—
Total Current Assets	124,469,273	13,708,761	13,105,569	5,299,564
Non-Current Assets				
Cash & Cash Equivalents	—	—	—	—
Accounts Receivable, net				
Affiliated Organizations	—	—	—	—
Component Units	—	—	—	—
Due From USO - Capital Liability Reserve Fund	2,098,531	715,528	844,039	266,644
Due From Institution - Capital Liability Reserve Fund	—	—	—	—
Pledges & Contributions	—	—	—	—
Other	—	—	—	—
Investments		1,864,396	—	210,762
Notes Receivable, net	632,587	—	785,546	49,273
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Other Assets	—	—	—	—
Non-current Cash (Externally Restricted)	—	—	114,922	16,367
Short-term Investments (Externally Restricted)	—	—	20,876	—
Investments (Externally Restricted)	4,633,634	—	7,428,930	285,240
Capital Assets, net	635,180,938	231,788,235	139,453,020	50,441,206
Total Non-Current Assets	642,545,690	234,368,159	148,647,333	51,269,492
TOTAL ASSETS	767,014,963	248,076,920	161,752,902	56,569,056
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Debt Refunding	1,049,629	—	—	—
Deferred Loss on Defined Benefit Pension Plans	50,193,627	11,482,971	11,211,681	2,932,619
Accumulated Decrease in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 51,243,256	\$ 11,482,971	\$ 11,211,681	\$ 2,932,619

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Kennesaw State University	Middle Georgia State University	Savannah State University	South Georgia State College
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 15,600,865	\$ 979,562	\$ 1,039,457	\$ 307,362
Salaries Payable	1,675,742	398,997	312,936	118,165
Benefits Payable	638,266	—	96,820	33,334
Contracts Payable	532,391	—	—	111,441
Retainage Payable	278,878	—	87,952	219,159
Interest Payable	—	—	—	—
Due to Affiliated Organizations	15,594	—	—	—
Due to Component Units	1,534,438	—	—	—
Due to Primary Government	—	—	—	—
Advances (Including Tuition & Fees)	17,720,919	1,374,532	2,736,791	436,309
Deposits	42,409	1,361,700	—	5
Deposits Held for Other Organizations	1,763,357	844,947	2,012,631	33,040
Other Liabilities	217,797	—	1,574	1,157,488
Notes & Loans Payable	—	—	—	—
Lease Purchase Obligations - External	1,105,627	—	—	—
Lease Purchase Obligations - Component Units	8,684,557	1,617,111	2,337,164	390,609
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	—	—	—
Claims & Judgments	—	125,372	190,381	—
Compensated Absences	7,854,330	1,454,051	954,904	399,100
Total Current Liabilities	57,665,170	8,156,272	9,770,610	3,206,012
Non-Current Liabilities				
Due to Affiliated Organizations	—	—	—	—
Due to Primary Government	—	—	—	—
Due to Other Funds	—	—	—	—
Advances (Including Tuition & Fees)	—	—	—	—
Other Liabilities	—	—	—	—
Notes & Loans Payable	—	—	—	—
Lease Purchase Obligations - External	54,031,473	—	—	—
Lease Purchase Obligations - Component Units	229,550,273	92,178,384	95,125,460	30,448,410
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	—	—	—
Claims & Judgments	—	—	190,381	—
Compensated Absences	3,433,454	787,717	1,095,572	115,428
Other Post Employment Benefits Obligation	—	—	—	—
Net Pension Liability	179,090,405	44,570,285	39,529,835	12,001,946
Total Non-Current Liabilities	466,105,605	137,536,386	135,941,248	42,565,784
TOTAL LIABILITIES	\$ 523,770,775	\$ 145,692,658	\$ 145,711,858	\$ 45,771,796

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	Kennesaw State University	Middle Georgia State University	Savannah State University	South Georgia State College
DEFERRED INFLOWS OF RESOURCES				
Deferred Gain on Debt Refunding	\$ —	\$ —	\$ 4,202,714	\$ —
Deferred Funds Received in Advance of Timing Requirements	—	378,000	—	—
Deferred Service Concession Arrangements	63,555,727	—	—	—
Deferred Gain on Defined Benefit Pension Plans	1,370,810	2,319,185	231,022	1,055,868
Accumulated Increase in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED INFLOWS OF RESOURCES	64,926,537	2,697,185	4,433,736	1,055,868
NET POSITION				
Net Investment in Capital Assets	278,269,993	137,992,740	37,787,682	19,602,187
Restricted for:				
Nonexpendable	4,378,951	580,183	7,374,665	301,490
Expendable	1,516,408	1,659,537	1,030,718	323,680
Capital Projects				
Higher Education				
Unrestricted (Deficit)	(54,604,445)	(29,062,412)	(23,374,076)	(7,553,346)
TOTAL NET POSITION	\$ 229,560,907	\$ 111,170,048	\$ 22,818,989	\$ 12,674,011

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	University of Georgia	University of North Georgia	University of West Georgia	Valdosta State University
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 282,984,657	\$ 37,753,699	\$ 56,908,194	\$ 26,957,513
Short-term Investments	5,519,177	1,971,785	—	—
Accounts Receivable, net				
Federal Financial Assistance	5,250,499	550,781	925,344	5,923,072
Affiliated Organizations	—	423,822	64,904	219,367
Component Units	48,936,905	—	—	—
Primary Government	—	—	—	—
Other	39,894,019	3,150,642	1,821,187	2,179,430
Notes Receivable, net	—	—	—	—
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other				
Inventories	6,465,235	1,515,834	1,589,644	15,317
Prepaid Items	7,000,069	5,603,948	616,879	173,668
Other Assets	—	—	—	—
Total Current Assets	396,050,561	50,970,511	61,926,152	35,468,367
Non-Current Assets				
Cash & Cash Equivalents	—	—	—	—
Accounts Receivable, net				
Affiliated Organizations	—	—	—	—
Component Units	—	—	—	—
Due From USO - Capital Liability Reserve Fund	1,767,538	983,809	1,357,248	1,364,272
Due From Institution - Capital Liability Reserve Fund	—	—	—	—
Pledges & Contributions	—	—	—	—
Other	—	—	—	—
Investments	116,130,645	—	—	10,811,883
Notes Receivable, net	9,224,248	1,187,725	2,858,232	35,093
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Other Assets	—	—	—	—
Non-current Cash (Externally Restricted)	3,410,149	1,069,401	—	32,710
Short-term Investments (Externally Restricted)	—	—	—	—
Investments (Externally Restricted)	82,931,515	1,522,939	—	4,192,604
Capital Assets, net	1,979,909,000	249,185,226	297,903,766	309,907,771
Total Non-Current Assets	2,193,373,095	253,949,100	302,119,246	326,344,333
TOTAL ASSETS	2,589,423,656	304,919,611	364,045,398	361,812,700
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Debt Refunding	—	—	1,449,791	1,925,033
Deferred Loss on Defined Benefit Pension Plans	211,548,428	34,219,808	26,512,241	17,536,553
Accumulated Decrease in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 211,548,428	\$ 34,219,808	\$ 27,962,032	\$ 19,461,586

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	University of Georgia	University of North Georgia	University of West Georgia	Valdosta State University
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 33,864,958	\$ 2,484,363	\$ 3,490,972	\$ 3,149,995
Salaries Payable	7,301,466	634,643	708,046	645,791
Benefits Payable	—	401,824	2,027,081	752,348
Contracts Payable	5,160,869	14,016	118,396	—
Retainage Payable	1,396,810	57,209	78,180	108,589
Interest Payable	—	—	—	—
Due to Affiliated Organizations	—	18,150	—	—
Due to Component Units	982,713	—	—	—
Due to Primary Government	—	—	—	—
Advances (Including Tuition & Fees)	48,573,054	5,965,851	5,028,985	4,852,829
Deposits	1,320,902	906,463	—	653,534
Deposits Held for Other Organizations	6,053,890	1,269,215	512,140	2,481,144
Other Liabilities	765,179	—	56,271	588
Notes & Loans Payable	330,884	—	—	—
Lease Purchase Obligations - External	483,459	—	1,425,785	145,695
Lease Purchase Obligations - Component Units	7,990,341	2,686,008	2,419,018	4,989,152
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	175,200	—	—	—
Claims & Judgments	—	—	700	—
Compensated Absences	31,862,493	2,730,360	2,713,802	2,237,921
Total Current Liabilities	146,262,218	17,168,102	18,579,376	20,017,586
Non-Current Liabilities				
Due to Affiliated Organizations	—	—	—	—
Due to Primary Government	—	—	—	—
Due to Other Funds	—	—	—	—
Advances (Including Tuition & Fees)	—	—	2,295	—
Other Liabilities	—	—	—	—
Notes & Loans Payable	1,760,747	—	—	—
Lease Purchase Obligations - External	240,040	—	46,933,854	309,093
Lease Purchase Obligations - Component Units	257,505,595	122,879,457	116,839,597	170,039,793
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	609,515	—	—	—
Claims & Judgments	—	—	—	—
Compensated Absences	15,711,765	2,113,635	1,659,066	1,592,689
Other Post Employment Benefits Obligation	—	—	—	—
Net Pension Liability	771,016,123	98,039,486	80,383,691	66,667,912
Total Non-Current Liabilities	1,046,843,785	223,032,578	245,818,503	238,609,487
TOTAL LIABILITIES	\$ 1,193,106,003	\$ 240,200,680	\$ 264,397,879	\$ 258,627,073

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	University of Georgia	University of North Georgia	University of West Georgia	Valdosta State University
DEFERRED INFLOWS OF RESOURCES				
Deferred Gain on Debt Refunding	\$ —	\$ 1,966,018	\$ —	\$ 6,151,764
Deferred Funds Received in Advance of Timing Requirements	—	—	—	869,397
Deferred Service Concession Arrangements	—	—	—	—
Deferred Gain on Defined Benefit Pension Plans	4,426,077	489,676	396,488	5,994,113
Accumulated Increase in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED INFLOWS OF RESOURCES	4,426,077	2,455,694	396,488	13,015,274
NET POSITION				
Net Investment in Capital Assets	1,707,131,886	121,010,912	131,543,432	130,088,718
Restricted for:				
Nonexpendable	86,341,663	2,740,206	—	4,192,879
Expendable	92,768,290	2,504,985	3,782,674	6,135,868
Capital Projects				
Higher Education				
Unrestricted (Deficit)	(282,801,835)	(29,773,058)	(8,113,043)	(30,785,526)
TOTAL NET POSITION	\$ 1,603,440,004	\$ 96,483,045	\$ 127,213,063	\$ 109,631,939

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	University System Office	Preliminary Total	Elimination/ Consolidation Entries	Consolidated Total
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 700,238,480	\$ 1,928,685,612	\$ (412,754,038)	\$ 1,515,931,574
Short-term Investments	257,647,212	265,926,182	(234,482,758)	31,443,424
Accounts Receivable, net	—	—	—	—
Federal Financial Assistance	531,537	83,511,949	—	83,511,949
Affiliated Organizations	42,636	11,968,910	—	11,968,910
Component Units	—	189,069,754	—	189,069,754
Primary Government	—	—	—	—
Other	120,195,910	296,461,286	(40,495,599)	255,965,687
Notes Receivable, net	—	—	—	—
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Inventories	672,554	23,652,977	—	23,652,977
Prepaid Items	413,786	58,399,894	—	58,399,894
Other Assets	2,239,835	2,239,835	—	2,239,835
Total Current Assets	1,081,981,950	2,859,916,399	(687,732,395)	2,172,184,004
Non-Current Assets				
Cash & Cash Equivalents	—	—	—	—
Accounts Receivable, net	—	—	—	—
Affiliated Organizations	—	3,600,830	—	3,600,830
Component Units	—	3,096,400	—	3,096,400
Due From USO - Capital Liability Reserve Fund	—	21,094,874	(21,094,874)	—
Due From Institution - Capital Liability Reserve Fund	700,000	700,000	(700,000)	—
Pledges & Contributions	—	—	—	—
Other	—	—	—	—
Investments	6,534,026	240,151,830	—	240,151,830
Notes Receivable, net	1,248,008	42,592,089	(1,248,008)	41,344,081
Investment in Capital Leases - Primary Government	—	—	—	—
Investment in Capital Leases - Other	—	—	—	—
Other Assets	—	—	—	—
Non-current Cash (Externally Restricted)	—	6,006,227	—	6,006,227
Short-term Investments (Externally Restricted)	—	20,876	—	20,876
Investments (Externally Restricted)	3,612,043	186,673,642	—	186,673,642
Capital Assets, net	511,393,363	9,962,908,062	—	9,962,908,062
Total Non-Current Assets	523,487,440	10,466,844,830	(23,042,882)	10,443,801,948
TOTAL ASSETS	1,605,469,390	13,326,761,229	(710,775,277)	12,615,985,952
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Debt Refunding	—	28,001,793	(2)	28,001,791
Deferred Loss on Defined Benefit Pension Plans	18,916,210	861,120,615	2	861,120,617
Accumulated Decrease in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 18,916,210	\$ 889,122,408	\$ —	\$ 889,122,408

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	University System Office	Preliminary Total	Elimination/ Consolidation Entries	Consolidated Total
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 8,825,167	\$ 199,049,433	\$ (46,312,501)	\$ 152,736,932
Salaries Payable	207,528	26,687,684	—	26,687,684
Benefits Payable	51,688,179	67,571,355	—	67,571,355
Contracts Payable	—	28,459,019	—	28,459,019
Retainage Payable	—	8,608,245	—	8,608,245
Interest Payable	—	—	6,338,779	6,338,779
Due to Affiliated Organizations	—	1,741,850	3,653	1,745,503
Due to Component Units	—	9,029,870	(3,653)	9,026,217
Due to USO - Capital Liability Reserve Fund	—	321,895	(321,895)	—
Advances (Including Tuition & Fees)	553,534	226,262,793	—	226,262,793
Deposits	—	16,165,362	—	16,165,362
Deposits Held for Other Organizations	717,413,148	764,737,340	(668,331,670)	96,405,670
Other Liabilities	—	3,982,936	(899,982)	3,082,954
Notes & Loans Payable	—	1,547,071	(138,559)	1,408,512
Lease Purchase Obligations - External	2,333,022	18,890,685	2,716,946	21,607,631
Lease Purchase Obligations - Component Units	—	75,029,939	(2,716,946)	72,312,993
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	618,915	—	618,915
Claims & Judgments	—	903,825	—	903,825
Compensated Absences	2,977,636	142,933,292	—	142,933,292
Total Current Liabilities	783,998,214	1,592,541,509	(709,665,828)	882,875,681
Non-Current Liabilities				
Due to Affiliated Organizations	—	—	—	—
Due to Primary Government	—	—	—	—
Due to Other Funds	—	—	—	—
Advances (Including Tuition & Fees)	—	2,295	—	2,295
Other Liabilities	—	—	—	—
Notes & Loans Payable	—	9,205,233	(1,109,449)	8,095,784
Lease Purchase Obligations - External	39,401,904	583,852,039	99,957,205	683,809,244
Lease Purchase Obligations - Component Units	—	2,365,146,395	(99,957,205)	2,265,189,190
Revenue Bonds & Notes Payable	—	—	—	—
Liabilities Under Split Interest Agreements	—	—	—	—
Interest Rate Swap	—	—	—	—
Pollution Remediation	—	609,515	—	609,515
Claims & Judgments	—	1,786,568	—	1,786,568
Compensated Absences	1,424,357	77,302,748	1	77,302,749
Other Post Employment Benefits Obligation	—	—	2,616,065,894	2,616,065,894
Net Pension Liability	57,459,356	3,147,202,798	—	3,147,202,798
Total Non-Current Liabilities	98,285,617	6,185,107,591	2,614,956,446	8,800,064,037
TOTAL LIABILITIES	\$ 882,283,831	\$ 7,777,649,100	\$ 1,905,290,618	\$ 9,682,939,718

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY INSTITUTION (Unaudited)
JUNE 30, 2017

	University System Office	Preliminary Total	Elimination/ Consolidation Entries	Consolidated Total
DEFERRED INFLOWS OF RESOURCES				
Deferred Gain on Debt Refunding	\$ —	\$ 34,141,243	\$ —	\$ 34,141,243
Deferred Funds Received in Advance of Timing Requirements	2,239,835	37,507,642	—	37,507,642
Deferred Service Concession Arrangements	533,773,610	599,866,404	—	599,866,404
Deferred Gain on Defined Benefit Pension Plans	272,890	58,059,241	—	58,059,241
Accumulated Increase in Fair Value of Hedging Instruments	—	—	—	—
TOTAL DEFERRED INFLOWS OF RESOURCES	536,286,335	729,574,530	—	729,574,530
NET POSITION				
Net Investment in Capital Assets	292,965,435	6,627,744,225	—	6,627,744,225
Restricted for:		—	—	—
Nonexpendable	3,612,043	193,258,875	—	193,258,875
Expendable	11,108,347	249,285,321	(249,285,321)	—
Capital Projects			16,754,205	16,754,205
Higher Education			232,531,116	232,531,116
Unrestricted (Deficit)	(101,870,391)	(1,361,628,415)	(2,616,065,894)	(3,977,694,309)
TOTAL NET POSITION	\$ 205,815,434	\$ 5,708,660,006	\$ (2,616,065,894)	\$ 3,092,594,112



UNIVERSITY SYSTEM OF GEORGIA

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Abraham Baldwin Agricultural College	Albany State University	Armstrong State University	Atlanta Metropolitan State College
OPERATING REVENUES				
Student Tuition & Fees (net)	\$ 10,571,770	\$ 21,081,397	\$ 36,069,921	\$ 4,673,303
Federal Appropriations				
Grants & Contracts				
Federal	124,861	7,944,017	2,304,990	2,546,240
State		2,108,052	157,326	5,823
Other		2,614,200	1,114,710	7,626
Sales & Services	126,553	259,342	188,743	8,884
Rents & Royalties	111,173	14,727		171,596
Auxiliary Enterprises				
Residence Halls	2,132,609	9,684,967	3,585,673	
Bookstore	2,611,213	425,566	335,924	113,106
Food Services	3,184,479	4,871,546	3,909,093	114,509
Parking/Transportation	214,985	70,554	402,803	
Health Services	457,613	424,528	274,427	
Intercollegiate Athletics	573,294	2,049,023	2,769,070	421,114
Other Organizations	417,036	345,062	2,716,980	9,416
Gifts & Contributions				
Endowment Income				
Other Operating Revenues	190,780	268,157	191,112	188,458
Total Operating Revenues	20,716,366	52,161,138	54,020,772	8,260,075
OPERATING EXPENSES				
Faculty Salaries	6,977,933	19,174,882	22,036,444	4,642,660
Staff Salaries	9,257,797	25,659,362	21,946,680	8,943,146
Employee Benefits	6,796,021	16,717,092	13,963,674	4,836,534
Other Personal Services	257,495	411,087	476,899	115,651
Travel	395,811	510,186	793,352	122,689
Scholarships & Fellowships	5,757,148	10,327,879	11,092,888	3,854,431
Utilities	952,792	3,892,700	2,568,802	829,000
Supplies & Other Services	12,126,651	20,640,528	20,196,660	3,847,395
Depreciation	3,155,258	9,523,156	5,130,191	1,214,238
Total Operating Expenses	45,676,906	106,856,872	98,205,590	28,405,744
Operating Income (Loss)	\$ (24,960,540)	\$ (54,695,734)	\$ (44,184,818)	\$ (20,145,669)

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Abraham Baldwin Agricultural College	Albany State University	Armstrong State University	Atlanta Metropolitan State College
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	\$ 16,629,765	\$ 34,446,379	\$ 32,275,899	\$ 10,616,567
Grants & Contracts				
Federal	8,026,502	16,828,614	12,566,243	8,108,457
State	33,257			
Other	652,509	7,347		
Gifts	422,510	1,306,191	470,462	240,433
Investment Income	119	71,875	425,992	
Interest Expense	(7,431)	(5,808,466)	(1,419,922)	(630,582)
Other Nonoperating Revenues (Expenses)	(1,619)	72,045	(168,286)	3,475
Net Nonoperating Revenues	25,755,612	46,923,985	44,150,388	18,338,350
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	795,072	(7,771,749)	(34,430)	(1,807,319)
Capital Grants & Gifts				
Federal				
State	2,539,555	1,146,445	1,636,691	1,348,219
Other	835,088	100,000		23,503
Additions to Permanent & Term Endowments				
Special Item	(19,497)			
Total Other Revenues, Expenses, Gains or Losses	3,355,146	1,246,445	1,636,691	1,371,722
Change in Net Position	4,150,218	(6,525,304)	1,602,261	(435,597)
Net Position, Beginning of Year, Restated	45,840,485	53,810,951	63,987,327	11,846,138
Net Position, End of Year	\$ 49,990,703	\$ 47,285,647	\$ 65,589,588	\$ 11,410,541

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Augusta University	Bainbridge State College	Clayton State University	College of Coastal Georgia
OPERATING REVENUES				
Student Tuition & Fees (net)	\$ 88,406,111	\$ 4,505,687	\$ 28,169,076	\$ 7,149,233
Federal Appropriations				
Grants & Contracts				
Federal	56,994,286	565,066	1,231,749	19,570
State	230,211,800	1,552,109	94,429	
Other	228,474,860	35,500	152,648	
Sales & Services	9,401,577	9,578	1,777,507	111,114
Rents & Royalties	346,122	50,766	69,987	1,840
Auxiliary Enterprises				
Residence Halls	3,888,820		6,808,193	1,012,833
Bookstore	1,845,069	52,102	2,850,606	271,332
Food Services	1,136,833	2,081	295,845	2,177,673
Parking/Transportation	3,189,528	70,980	521,172	
Health Services	2,330,164		705,054	
Intercollegiate Athletics	3,058,368		2,335,205	1,174,739
Other Organizations	3,848,679		344,539	980,585
Gifts & Contributions				
Endowment Income				
Other Operating Revenues	267,574	188,945	860,205	104,304
Total Operating Revenues	633,399,791	7,032,814	46,216,215	13,003,223
OPERATING EXPENSES				
Faculty Salaries	173,381,811	4,208,867	20,456,548	7,981,040
Staff Salaries	248,371,709	4,184,022	21,478,212	8,558,786
Employee Benefits	139,646,583	2,856,963	14,141,367	5,254,557
Other Personal Services	341,695	71,371	502,099	98,709
Travel	4,260,152	76,756	435,697	292,817
Scholarships & Fellowships	9,288,780	3,409,771	9,000,045	3,051,038
Utilities	10,590,512	611,134	2,661,560	767,971
Supplies & Other Services	228,271,076	2,018,366	13,447,383	8,234,597
Depreciation	28,011,451	1,817,498	5,578,183	2,970,837
Total Operating Expenses	842,163,769	19,254,748	87,701,094	37,210,352
Operating Income (Loss)	\$ (208,763,978)	\$ (12,221,934)	\$ (41,484,879)	\$ (24,207,129)

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Augusta University	Bainbridge State College	Clayton State University	College of Coastal Georgia
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	\$ 199,132,523	\$ 6,825,227	\$ 24,669,027	\$ 14,514,442
Grants & Contracts				
Federal	9,837,028	5,385,602	16,638,617	7,099,908
State				72,785
Other	3,500,000		522,598	989,330
Gifts	12,274,245	128,452	210,353	401,451
Investment Income	1,970,804	106,199	148,924	22,846
Interest Expense	(2,044,671)	(1,135,557)	(4,229,400)	(614,341)
Other Nonoperating Revenues (Expenses)	(440,259)	(13,906)	(3,049,584)	(13,276)
Net Nonoperating Revenues	224,229,670	11,296,017	34,910,535	22,473,145
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	15,465,692	(925,917)	(6,574,344)	(1,733,984)
Capital Grants & Gifts				
Federal				
State	8,837,521	228,475	223,228	1,108,106
Other	276,500			
Additions to Permanent & Term Endowments		66,080		
Special Item	(5,265,951)			
Total Other Revenues, Expenses, Gains or Losses	3,848,070	294,555	223,228	1,108,106
Change in Net Position	19,313,762	(631,362)	(6,351,116)	(625,878)
Net Position, Beginning of Year, Restated	211,418,148	25,185,343	39,149,611	51,392,916
Net Position, End of Year	\$ 230,731,910	\$ 24,553,981	\$ 32,798,495	\$ 50,767,038

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Columbus State University	Dalton State College	East Georgia State College	Fort Valley State University
OPERATING REVENUES				
Student Tuition & Fees (net)	\$ 46,233,797	\$ 9,925,528	\$ 4,364,180	\$ 8,735,336
Federal Appropriations				6,697,562
Grants & Contracts				
Federal	1,001,227	5,526	89,177	1,541,751
State	105,526	52,266	138,270	53,156
Other	212,973	2,580,060	18,426	38,157
Sales & Services	3,922,657	7,665	2,345	304,703
Rents & Royalties	41,800	1,732	1,620	255,115
Auxiliary Enterprises				
Residence Halls	3,817,569	524,668	600,699	6,431,026
Bookstore	360,155	329,033	113,785	31,923
Food Services	452,615	711,046	1,104,809	3,966,319
Parking/Transportation	1,218,715	630,319	243,975	183,802
Health Services	625,171	280,981	70,660	339,569
Intercollegiate Athletics	2,753,088	778,660	623,537	1,427,476
Other Organizations	353,100	440,715	5,189	944,738
Gifts & Contributions				
Endowment Income				
Other Operating Revenues	563,584	313,457	84,908	390,042
Total Operating Revenues	61,661,977	16,581,656	7,461,580	31,340,675
OPERATING EXPENSES				
Faculty Salaries	25,879,999	11,367,500	4,891,790	9,182,764
Staff Salaries	29,917,231	8,989,226	5,973,162	18,754,902
Employee Benefits	18,938,335	7,920,074	4,237,321	9,919,943
Other Personal Services	391,140	139,924	83,814	464,066
Travel	797,256	254,185	123,499	939,847
Scholarships & Fellowships	10,513,211	5,310,393	4,613,026	4,863,215
Utilities	4,206,686	1,306,580	563,306	4,206,598
Supplies & Other Services	25,795,708	7,560,060	3,378,472	22,950,120
Depreciation	5,226,445	1,955,662	804,493	6,443,922
Total Operating Expenses	121,666,011	44,803,604	24,668,883	77,725,377
Operating Income (Loss)	\$ (60,004,034)	\$ (28,221,948)	\$ (17,207,303)	\$ (46,384,702)

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Columbus State University	Dalton State College	East Georgia State College	Fort Valley State University
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	\$ 36,713,844	\$ 15,248,377	\$ 8,442,439	\$ 20,799,672
Grants & Contracts				
Federal	14,496,905	10,361,589	8,435,237	25,228,660
State			51,585	970
Other	4,230,919		310,062	716,695
Gifts	432,164	860,244	60,141	1,660,465
Investment Income	476,220	2,861	6,919	12,142
Interest Expense	(2,398,325)	(353,482)	(398)	(2,545,889)
Other Nonoperating Revenues (Expenses)	(10,570)		(4,877)	(5,500)
Net Nonoperating Revenues	53,941,157	26,119,589	17,301,108	45,867,215
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(6,062,877)	(2,102,359)	93,805	(517,487)
Capital Grants & Gifts				
Federal				(12,772)
State	3,063,414	1,653,307	3,282,623	346,853
Other	16,702	429,252		
Additions to Permanent & Term Endowments				
Special Item				
Total Other Revenues, Expenses, Gains or Losses	3,080,116	2,082,559	3,282,623	334,081
Change in Net Position	(2,982,761)	(19,800)	3,376,428	(183,406)
Net Position, Beginning of Year, Restated	51,241,655	33,157,156	16,188,254	40,430,731
Net Position, End of Year	\$ 48,258,894	\$ 33,137,356	\$ 19,564,682	\$ 40,247,325

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Georgia College & State University	Georgia Gwinnett College	Georgia Highlands College	Georgia Institute of Technology
OPERATING REVENUES				
Student Tuition & Fees (net)	\$ 57,447,517	\$ 34,891,112	\$ 12,111,692	\$ 361,845,835
Federal Appropriations				
Grants & Contracts				
Federal	509,366	867,367	214,100	545,314,270
State	96,846	244,087	111,557	8,125,597
Other	127,401	394,840	320,385	233,235,552
Sales & Services	2,670,863	65,524	241,178	39,106,996
Rents & Royalties	60,764	8,175	164,106	478,891
Auxiliary Enterprises				
Residence Halls	14,642,594	7,762,423		76,211,897
Bookstore	1,113,106	757,986	302,622	2,123,424
Food Services	7,520,079	1,099,272	(350)	3,473,273
Parking/Transportation	1,552,586	2,530,055	115,104	19,627,886
Health Services		646,928		10,373,070
Intercollegiate Athletics	2,400,118	3,944,465	1,116,711	
Other Organizations	374,128	212,957	236,005	2,154,699
Gifts & Contributions				
Endowment Income				
Other Operating Revenues	530,296	141,835	214,453	6,634,095
Total Operating Revenues	89,045,664	53,567,026	15,147,563	1,308,705,485
OPERATING EXPENSES				
Faculty Salaries	28,720,773	38,980,747	8,943,515	417,592,010
Staff Salaries	32,638,166	24,569,149	9,324,516	365,719,734
Employee Benefits	22,749,180	19,968,872	6,465,677	208,114,544
Other Personal Services	276,014	371,736	89,802	730,607
Travel	1,083,326	679,295	255,183	26,659,547
Scholarships & Fellowships	2,778,270	10,769,266	5,658,686	16,342,204
Utilities	3,582,917	2,567,706	1,399,472	29,456,813
Supplies & Other Services	29,663,310	25,340,303	8,654,054	375,163,096
Depreciation	8,904,622	9,364,713	1,911,137	96,856,546
Total Operating Expenses	130,396,578	132,611,787	42,702,042	1,536,635,101
Operating Income (Loss)	\$ (41,350,914)	\$ (79,044,761)	\$ (27,554,479)	\$ (227,929,616)

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Georgia College & State University	Georgia Gwinnett College	Georgia Highlands College	Georgia Institute of Technology
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	\$ 37,490,685	\$ 53,090,345	\$ 15,867,015	\$ 267,514,001
Grants & Contracts				
Federal	6,626,800	28,782,311	10,817,667	11,122,453
State	248,230			
Other	1,459,269			
Gifts	158,823	2,235,261	577,729	2,738,147
Investment Income	987,733	131,537	5,366	21,525,736
Interest Expense	(6,292,338)	(11,511,365)	(908,874)	(24,679,352)
Other Nonoperating Revenues (Expenses)	(72,271)	(123,017)	(90,793)	1,037,036
Net Nonoperating Revenues	40,606,931	72,605,072	26,268,110	279,258,021
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(743,983)	(6,439,689)	(1,286,369)	51,328,405
Capital Grants & Gifts				
Federal				
State	4,953,119	12,449,593	288,116	6,485,524
Other	333,675	673,334		793,930
Additions to Permanent & Term Endowments	15,597			746,123
Special Item				
Total Other Revenues, Expenses, Gains or Losses	5,302,391	13,122,927	288,116	8,025,577
Change in Net Position	4,558,408	6,683,238	(998,253)	59,353,982
Net Position, Beginning of Year, Restated	34,545,118	70,491,461	21,923,107	1,368,205,155
Net Position, End of Year	\$ 39,103,526	\$ 77,174,699	\$ 20,924,854	\$ 1,427,559,137

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Georgia Southern University	Georgia Southwestern State University	Georgia State University	Gordon State College
OPERATING REVENUES				
Student Tuition & Fees (net)	\$ 117,350,971	\$ 12,950,184	\$ 294,825,347	\$ 6,328,647
Federal Appropriations				
Grants & Contracts				
Federal	5,113,356	312,955	83,127,702	162,300
State	583,536	173,187	9,666,465	157,786
Other	9,268,421	2,284,973	33,909,361	8,400
Sales & Services	6,035,912	2,473	27,799,480	123,370
Rents & Royalties	460,149	23,568	132,754	66,201
Auxiliary Enterprises				
Residence Halls	31,297,264	4,256,636	18,061,115	4,905,403
Bookstore	11,636,351	1,060,411	2,282,917	1,887,683
Food Services	21,115,330	2,737,016	12,817,467	2,378,633
Parking/Transportation	4,508,191	75,894	8,379,575	105,346
Health Services	4,783,852	358,365	3,593,403	61,196
Intercollegiate Athletics	17,441,031	1,054,101	19,150,216	518,643
Other Organizations	39,971	385,155	6,536,774	70,156
Gifts & Contributions				
Endowment Income				
Other Operating Revenues	2,840,119	205,164	2,388,309	184,203
Total Operating Revenues	232,474,454	25,880,082	522,670,885	16,957,967
OPERATING EXPENSES				
Faculty Salaries	65,144,710	9,475,266	200,978,814	8,982,318
Staff Salaries	97,575,033	8,876,203	242,033,831	7,282,082
Employee Benefits	57,410,562	6,759,567	128,161,490	5,702,990
Other Personal Services	985,914	103,688	2,154,405	125,871
Travel	3,357,176	333,338	7,054,165	225,366
Scholarships & Fellowships	15,730,865	2,816,462	55,783,182	3,428,707
Utilities	11,683,876	1,599,538	19,507,235	1,803,169
Supplies & Other Services	76,213,387	10,150,313	151,450,428	9,184,171
Depreciation	27,985,354	3,657,005	50,366,423	3,564,512
Total Operating Expenses	356,086,877	43,771,380	857,489,973	40,299,186
Operating Income (Loss)	\$ (123,612,423)	\$ (17,891,298)	\$ (334,819,088)	\$ (23,341,219)

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Georgia Southern University	Georgia Southwestern State University	Georgia State University	Gordon State College
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	\$ 95,012,262	\$ 10,540,019	\$ 262,361,384	\$ 12,439,726
Grants & Contracts				
Federal	29,690,070	5,028,208	93,472,356	8,960,075
State				
Other			4,453,592	
Gifts	4,146,512	765,087	690,887	378,770
Investment Income	746,541	73,270	1,344,910	78,957
Interest Expense	(11,519,630)	(1,814,500)	(14,560,937)	(2,062,519)
Other Nonoperating Revenues (Expenses)	(23,957)	(1,500)	(602,586)	(53,354)
Net Nonoperating Revenues	118,051,798	14,590,584	347,159,606	19,741,655
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(5,560,625)	(3,300,714)	12,340,518	(3,599,564)
Capital Grants & Gifts				
Federal				
State	8,982,927	57,210	12,173,054	263,905
Other	82,900		16,658,939	150,000
Additions to Permanent & Term Endowments				
Special Item			8,635,267	
Total Other Revenues, Expenses, Gains or Losses	9,065,827	57,210	37,467,260	413,905
Change in Net Position	3,505,202	(3,243,504)	49,807,778	(3,185,659)
Net Position, Beginning of Year, Restated	277,263,255	46,328,814	561,268,918	39,009,386
Net Position, End of Year	\$ 280,768,457	\$ 43,085,310	\$ 611,076,696	\$ 35,823,727

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Kennesaw State University	Middle Georgia State University	Savannah State University	South Georgia State College
OPERATING REVENUES				
Student Tuition & Fees (net)	\$ 193,196,541	\$ 22,528,066	\$ 13,851,127	\$ 3,035,088
Federal Appropriations				
Grants & Contracts				
Federal	1,946,428	54,953	9,310,329	13,172
State	879,075		62,967	5,400
Other	154,392	678	412,362	
Sales & Services	12,731,745	858,740	983,692	18,039
Rents & Royalties	1,012,363	158,587	51,235	2,415
Auxiliary Enterprises				
Residence Halls	17,103,480	8,525,378	15,593,215	1,203,376
Bookstore	13,913,170	3,153,058	238,416	1,134,125
Food Services	27,627,130	3,911,606	10,783,685	815,322
Parking/Transportation	10,087,308	205,849	983,659	6,539
Health Services	3,573,891	268,799	629,413	
Intercollegiate Athletics	14,994,671	1,742,539	4,046,258	457,545
Other Organizations	5,913,574	394,299	106,440	81,652
Gifts & Contributions				
Endowment Income				
Other Operating Revenues	2,490,627	763,856	1,577,820	87,124
Total Operating Revenues	305,624,395	42,566,408	58,630,618	6,859,797
OPERATING EXPENSES				
Faculty Salaries	103,713,764	21,463,635	15,744,287	4,706,037
Staff Salaries	120,488,694	19,798,071	21,293,353	4,922,002
Employee Benefits	71,330,792	14,798,825	13,499,763	3,714,305
Other Personal Services	1,791,931	204,011	475,132	275,976
Travel	3,411,172	658,863	974,230	252,179
Scholarships & Fellowships	27,108,431	7,461,645	7,174,074	2,689,719
Utilities	9,824,873	3,344,692	3,636,160	1,293,922
Supplies & Other Services	104,716,887	24,476,819	28,088,126	4,864,230
Depreciation	31,884,881	8,141,992	7,128,355	2,376,105
Total Operating Expenses	474,271,425	100,348,553	98,013,480	25,094,475
Operating Income (Loss)	\$ (168,647,030)	\$ (57,782,145)	\$ (39,382,862)	\$ (18,234,678)

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	Kennesaw State University	Middle Georgia State University	Savannah State University	South Georgia State College
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	\$ 128,128,428	\$ 32,069,443	\$ 22,703,668	\$ 10,859,830
Grants & Contracts				
Federal	55,712,429	15,683,546	16,847,003	6,640,455
State	312,426	963,184		
Other	5,280,852	498,914		69,476
Gifts	1,147,657	4,274,737	1,111,705	402,610
Investment Income	757,792	196,863	705,048	34,101
Interest Expense	(16,005,862)	(4,693,866)	(4,614,002)	(1,933,773)
Other Nonoperating Revenues (Expenses)	(217,200)	263,312	134,228	(7,026)
Net Nonoperating Revenues	175,116,522	49,256,133	36,887,650	16,065,673
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	6,469,492	(8,526,012)	(2,495,212)	(2,169,005)
Capital Grants & Gifts				
Federal				
State	2,799,370	12,908,386		2,771,091
Other	7,967,015		75,000	
Additions to Permanent & Term Endowments				
Special Item				
Total Other Revenues, Expenses, Gains or Losses	10,766,385	12,908,386	75,000	2,771,091
Change in Net Position	17,235,877	4,382,374	(2,420,212)	602,086
Net Position, Beginning of Year, Restated	212,325,030	106,787,674	25,239,201	12,071,925
Net Position, End of Year	\$ 229,560,907	\$ 111,170,048	\$ 22,818,989	\$ 12,674,011

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	University of Georgia	University of North Georgia	University of West Georgia	Valdosta State University
OPERATING REVENUES				
Student Tuition & Fees (net)	\$ 453,158,505	\$ 74,812,403	\$ 67,102,516	\$ 61,457,736
Federal Appropriations	15,610,091			
Grants & Contracts				
Federal	134,408,064		1,933,328	1,338,949
State	27,201,677		510,202	629,561
Other	74,377,754		1,622,570	1,030,345
Sales & Services	79,392,840	2,856,802	546,404	1,071,702
Rents & Royalties	556,842	148,622	164,535	1,032,370
Auxiliary Enterprises				
Residence Halls	56,151,094	10,183,227	19,633,356	13,441,629
Bookstore	5,515,427	6,491,085	2,903,849	1,277,054
Food Services	50,135,143	10,116,741	12,053,976	11,096,305
Parking/Transportation	22,858,206	5,161,764	1,836,274	4,211,355
Health Services	22,626,772	979,499	2,306,132	2,852,490
Intercollegiate Athletics	31,188,414	3,349,565	6,949,795	3,268,041
Other Organizations	59,114	64,272	394,279	460,431
Gifts & Contributions				
Endowment Income				
Other Operating Revenues	2,548,127	1,306,258	10,715,752	686,090
Total Operating Revenues	975,788,070	115,470,238	128,672,968	103,854,058
OPERATING EXPENSES				
Faculty Salaries	257,366,603	46,158,943	43,459,858	36,919,449
Staff Salaries	516,340,664	48,183,394	50,724,867	34,734,878
Employee Benefits	267,821,812	36,484,927	34,640,819	25,349,466
Other Personal Services	780,968	664,346	711,276	2,272,971
Travel	18,750,002	1,772,913	1,581,589	1,381,351
Scholarships & Fellowships	35,832,727	13,734,118	10,927,462	13,739,463
Utilities	34,132,185	4,484,341	3,862,031	5,242,386
Supplies & Other Services	270,262,915	40,794,510	42,216,527	37,214,517
Depreciation	94,554,767	15,027,424	14,151,260	17,262,892
Total Operating Expenses	1,495,842,643	207,304,916	202,275,689	174,117,373
Operating Income (Loss)	\$ (520,054,573)	\$ (91,834,678)	\$ (73,602,721)	\$ (70,263,315)

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	University of Georgia	University of North Georgia	University of West Georgia	Valdosta State University
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	\$ 435,718,535	\$ 60,995,527	\$ 52,460,243	\$ 46,878,314
Grants & Contracts				
Federal	27,836,288	27,127,095	24,940,373	20,289,917
State	6,729,439	233,983		172,384
Other	43,106,818	3,411,441		116,092
Gifts	19,003,663	1,019,801	672,100	1,196,956
Investment Income	10,103,195	126,440	451,522	953,090
Interest Expense	(14,887,216)	(6,771,216)	(9,118,901)	(7,756,816)
Other Nonoperating Revenues (Expenses)	11,341,259	(43,753)	130,241	(4,923)
Net Nonoperating Revenues	538,951,981	86,099,318	69,535,578	61,845,014
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	18,897,408	(5,735,360)	(4,067,143)	(8,418,301)
Capital Grants & Gifts				
Federal	1,409,446			
State	114,608,033		2,349,827	3,665,648
Other	7,582,188	116,000	62,399	186,842
Additions to Permanent & Term Endowments				5,358
Special Item			(1,129,959)	
Total Other Revenues, Expenses, Gains or Losses	123,599,667	116,000	1,282,267	3,857,848
Change in Net Position	142,497,075	(5,619,360)	(2,784,876)	(4,560,453)
Net Position, Beginning of Year, Restated	1,460,942,929	102,102,405	129,997,939	114,192,392
Net Position, End of Year	\$ 1,603,440,004	\$ 96,483,045	\$ 127,213,063	\$ 109,631,939

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	University System Office	Preliminary Total	Elimination/ Consolidation Entries	Consolidated Total
OPERATING REVENUES				
Student Tuition and Fees (net)		\$ 889,141,982	\$ (628,001)	\$ 888,513,981
Federal Appropriations		15,610,091		15,610,091
Grants & Contracts				
Federal	\$ 37,757	149,042,980	(3,513,032)	145,529,948
State		29,288,882	(2,968,557)	26,320,325
Other	89,750	77,687,851	(545,299)	77,142,552
Sales & Services	49,353,124	147,813,088	(28,054,981)	119,758,107
Rents & Royalties	120,545	3,247,514		3,247,514
Auxiliary Enterprises				
Residence Halls	10,382,978	152,217,733	(16,185,952)	136,031,781
Bookstore		34,626,184		34,626,184
Food Services		126,539,908		126,539,908
Parking/Transportation		45,350,954		45,350,954
Health Services		33,236,996		33,236,996
Intercollegiate Athletics		65,996,828		65,996,828
Other Organizations		7,474,061		7,474,061
Gifts & Contributions				
Endowment Income				
Other Operating Revenues	447,739,240	467,914,894	(308,649,836)	159,265,058
Total Operating Revenues	507,723,394	2,245,189,946	(360,545,658)	1,884,644,288
OPERATING EXPENSES				
Faculty Salaries		529,532,576		529,532,576
Staff Salaries	41,065,853	857,551,776		857,551,776
Employee Benefits	16,091,093	483,731,802	(33,297,056)	450,434,746
Other Personal Services	541	7,177,152		7,177,152
Travel	1,165,182	29,947,481		29,947,481
Scholarships & Fellowships	315,190	118,982,829		118,982,829
Utilities	6,018,267	71,838,857		71,838,857
Supplies & Other Services	575,879,779	1,128,514,310	(67,518,063)	1,060,996,247
Depreciation	20,847,192	211,374,868		211,374,868
Total Operating Expenses	661,383,097	3,438,651,651	(100,815,119)	3,337,836,532
Operating Income (Loss)	\$ (153,659,703)	\$ (1,193,461,705)	\$ (259,730,539)	\$ (1,453,192,244)

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY INSTITUTION
FOR FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

	University System Office	Preliminary Total	Elimination/ Consolidation Entries	Consolidated Total
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	\$ 185,527,825	\$ 975,341,813	\$ 6,697	\$ 975,348,510
Grants & Contracts				
Federal	5,573,971	200,651,077		200,651,077
State		8,411,416		8,411,416
Other	14,927,906	67,411,499		67,411,499
Gifts		28,829,229		28,829,229
Investment Income	2,623,354	15,951,405	(74,079)	15,877,326
Interest Expense	(1,727,568)	(67,509,220)	74,079	(67,435,141)
Other Nonoperating Revenues (Expenses)	(15,038,799)	(3,442,661)	(6,697)	(3,449,358)
Net Nonoperating Revenues	191,886,689	1,225,644,558	—	1,225,644,558
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	38,226,986	32,182,853	(259,730,539)	(227,547,686)
Capital Grants & Gifts				
Federal		1,409,446		1,409,446
State	233,316	139,335,671		139,335,671
Other	2,579,103	18,568,547		18,568,547
Additions to Permanent & Term Endowments		5,358		5,358
Special Item		(1,129,959)		(1,129,959)
Total Other Revenues, Expenses, Gains or Losses	2,812,419	158,189,063	—	158,189,063
Change in Net Position	41,039,405	190,371,916	(259,730,539)	(69,358,623)
Net Position, Beginning of Year, Restated	164,776,029	2,328,435,524	(2,356,335,355)	(27,899,831)
Net Position, End of Year	\$ 205,815,434	\$ 2,518,807,440	\$ (2,616,065,894)	\$ (97,258,454)



UNIVERSITY SYSTEM OF GEORGIA

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)
JUNE 30, 2017

	Abraham Baldwin Agricultural College Foundation, Inc. & Subsidiaries	Albany State University Foundation, Inc.	Armstrong State University Educational Properties Foundation, Inc. & Subsidiaries	Armstrong State University Foundation, Inc.	Atlanta Metropolitan State College Projects Foundation, Inc.	Atlanta Metropolitan State College Foundation, Inc.
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 2,667,930	\$ 1,874,381	\$ 2,386,557	\$ 2,942,915	\$ 260,440	\$ 432,713
Short-term Investments		—	1,008,080			
Accounts Receivable, net	7,311	—	—	585,389	20	—
Notes Receivable, net		—				
Investment in Capital Leases	—	—	1,028,414	—	—	—
Inventories		—				
Prepaid Items		—	4,979			
Other Assets		—				
Total Current Assets	2,675,241	1,874,381	4,428,030	3,528,304	260,460	432,713
Non-Current Assets						
Cash and Cash Equivalents		—			361,396	
Accounts Receivable, net	5,210	—	38,039,777	1,195,535	—	—
Investments	21,405,633	—		9,744,056		
Notes Receivable, net		—				
Investment in Capital Leases	—	64,010,243	—	—	—	—
Other Assets	229,746	14,394,096				
Non-current Cash (Externally Restricted)		—	2,940,311			
Short-term Investments (Externally Restricted)		—				
Investments (Externally Restricted)		1,760,685				
Capital Assets, net	4,183,650	733,875	2,784,948		9,613,775	
Total Non-Current Assets	25,824,239	80,898,899	43,765,036	10,939,591	9,975,171	—
TOTAL ASSETS	28,499,480	82,773,280	48,193,066	14,467,895	10,235,631	432,713
TOTAL DEFERRED OUTFLOWS OF RESOURCES	—	—	2,301,532	—	—	—
LIABILITIES						
Current Liabilities						
Accounts & Other Payable	831	86,931	68,791	—	101,288	1,911
Advances (Including Tuition and Fees)		—	566,628			
Deposits		—	10,558			
Deposits Held for Other Organizations		—				
Notes and Loans Payable		—			270,000	
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable		—	760,000			
Liabilities Under Split Interest Agreements		—				
Interest Rate Swap		1,688,525				
Other Liabilities	—	99,631	—	—	—	—
Total Current Liabilities	831	1,875,087	1,405,977	—	371,288	1,911
Non-Current Liabilities						
Accounts & Other Payable	—	—	—	—	—	—
Advances (Including Tuition and Fees)		—				
Notes and Loans Payable		69,835,581			10,469,316	
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable		—	39,702,294			
Liabilities Under Split Interest Agreements		—				
Interest Rate Swap		—				
Other Liabilities	—	—	—	—	—	—
Other Post Employment Benefits Obligation		—				
Net Pension Liability		—				
Total Non-Current Liabilities	—	69,835,581	39,702,294	—	10,469,316	—
TOTAL LIABILITIES	831	71,710,668	41,108,271	—	10,840,604	1,911
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	32,716	—	—	—
NET POSITION						
Net Investment in Capital Assets	4,183,650	—	2,784,948			
Restricted for:						
Nonexpendable	9,118,988	1,110,230	1,747,329	5,708,561	—	—
Expendable	5,585,982	1,250,040	—	8,346,645	—	50,000
Unrestricted (Deficit)	9,610,029	8,702,342	4,821,334	412,689	(604,973)	380,802
TOTAL NET POSITION	\$ 28,498,649	\$ 11,062,612	\$ 9,353,611	\$ 14,467,895	\$ (604,973)	\$ 430,802

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)
JUNE 30, 2017

	Augusta University Foundation, Inc.	Augusta University Research Institute, Inc.	Augusta University College of Dental Medicine Faculty Practice Group d/b/a AU Dental Faculty Practice Group	AU Health System Inc	AU Medical Associates	Bainbridge State College Foundation
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 544,073	\$ 8,395,707	\$ 2,579,545	\$ 36,607,910	\$ 9,752,279	\$ 76,575
Short-term Investments	1,466,910			38,494,241	13,471,819	
Accounts Receivable, net	456,654	5,272,814	992,257	131,113,623	13,815,574	—
Notes Receivable, net						
Investment in Capital Leases	1,051,395	—	—	—	1,151,040	—
Inventories				19,002,610		
Prepaid Items	885		118,949	16,525,792	538,736	
Other Assets				—		
Total Current Assets	3,519,917	13,668,521	3,690,751	241,744,176	38,729,448	76,575
Non-Current Assets						
Cash and Cash Equivalents	4,308,982	69,973		—	—	—
Accounts Receivable, net	456,392	—	—	—	—	—
Investments	7,776,876	291,102	13,486,988	95,322,236	25,338,392	2,186,774
Notes Receivable, net				201,290		
Investment in Capital Leases	25,095,150	—	—	—	23,706,252	—
Other Assets	522,500			6,353,031	2,183,441	
Non-current Cash (Externally Restricted)						
Short-term Investments (Externally Restricted)						
Investments (Externally Restricted)	19,539,674					
Capital Assets, net	897,307			262,810,454	6,725,011	
Total Non-Current Assets	58,596,881	361,075	13,486,988	364,687,011	57,953,096	2,186,774
TOTAL ASSETS	62,116,798	14,029,596	17,177,739	606,431,187	96,682,544	2,263,349
TOTAL DEFERRED OUTFLOWS OF RESOURCES	—	—	—	—	—	—
LIABILITIES						
Current Liabilities						
Accounts & Other Payable	785,092	5,549,447	14,994,924	81,206,553	21,235,243	—
Advances (Including Tuition and Fees)						
Deposits						
Deposits Held for Other Organizations						
Notes and Loans Payable				3,445,833		
Lease Purchase Obligations	—	—	—	5,932,665	—	—
Revenue Bonds & Notes Payable	900,000			3,950,000	865,000	
Liabilities Under Split Interest Agreements						
Interest Rate Swap						
Other Liabilities	82,445	16,536	—	25,207,566	3,018,972	—
Total Current Liabilities	1,767,537	5,565,983	14,994,924	119,742,617	25,119,215	—
Non-Current Liabilities						
Accounts & Other Payable	—	—	—	—	—	—
Advances (Including Tuition and Fees)						
Notes and Loans Payable	376,000			37,037,500		
Lease Purchase Obligations	—	—	—	24,048,493	—	—
Revenue Bonds & Notes Payable	24,158,605			110,420,000	23,854,028	
Liabilities Under Split Interest Agreements						
Interest Rate Swap				20,812,794		
Other Liabilities	—	—	—	8,682,920	2,102,916	—
Other Post Employment Benefits Obligation					11,531,792	
Net Pension Liability						
Total Non-Current Liabilities	24,534,605	—	—	201,001,707	37,488,736	—
TOTAL LIABILITIES	26,302,142	5,565,983	14,994,924	320,744,324	62,607,951	—
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	—	—
NET POSITION						
Net Investment in Capital Assets	713,937			77,975,963	6,725,011	
Restricted for:						
Nonexpendable	18,885,674	—	—	—	—	—
Expendable	16,426,174	69,973	—	—	—	2,263,349
Unrestricted (Deficit)	(211,129)	8,393,640	2,182,815	207,710,900	27,349,582	
TOTAL NET POSITION	\$ 35,814,656	\$ 8,463,613	\$ 2,182,815	\$ 285,686,863	\$ 34,074,593	\$ 2,263,349

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)
JUNE 30, 2017

	Clayton State University Foundation, Inc.	College of Coastal Georgia Foundation, Inc.	Columbus State University Research & Service Foundation	Columbus State University Alumni Association, Inc.	Columbus State University Athletic Fund, Inc.	Columbus State University Foundation, Inc.
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 2,112,951	\$ 617,406	\$ 37,667	\$ 92,954	\$ 3,555	\$ 2,620,915
Short-term Investments		—		50,258		
Accounts Receivable, net	505,619	100,097	—	5,102	22,000	5,671,784
Notes Receivable, net						
Investment in Capital Leases	1,352,557	—	—	—	—	—
Inventories				2,523		
Prepaid Items	35,122	15,399		7,404	4,231	310,668
Other Assets						20,815,650
Total Current Assets	4,006,249	732,902	37,667	158,241	29,786	29,419,017
Non-Current Assets						
Cash and Cash Equivalents	5,707,417			6,914	220,406	8,760,708
Accounts Receivable, net	246,151	18,594	—	221,140	—	19,854,745
Investments	6,823,229	13,686,708			1,985,599	56,475,452
Notes Receivable, net						
Investment in Capital Leases	56,833,841	—	—	—	—	—
Other Assets	2,028,520	99,750				
Non-current Cash (Externally Restricted)						
Short-term Investments (Externally Restricted)	534,556					
Investments (Externally Restricted)	1,600,937					
Capital Assets, net	7,260,558	1,531,003			7,224	
Total Non-Current Assets	81,035,209	15,336,055	—	228,054	2,213,229	85,090,905
TOTAL ASSETS	85,041,458	16,068,957	37,667	386,295	2,243,015	114,509,922
TOTAL DEFERRED OUTFLOWS OF RESOURCES	—	—	—	—	—	—
LIABILITIES						
Current Liabilities						
Accounts & Other Payable	3,360,336	179,858	—	6,125	113,049	2,161,749
Advances (Including Tuition and Fees)				1,430		900
Deposits						
Deposits Held for Other Organizations			34,845			
Notes and Loans Payable						
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable						
Liabilities Under Split Interest Agreements		2,355				76,293
Interest Rate Swap						
Other Liabilities	—	—	—	—	—	—
Total Current Liabilities	3,360,336	182,213	34,845	7,555	113,049	2,238,942
Non-Current Liabilities						
Accounts & Other Payable	—	—	—	—	—	1,716,158
Advances (Including Tuition and Fees)						
Notes and Loans Payable	4,446,454					
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable	68,188,677					
Liabilities Under Split Interest Agreements		16,403				764,221
Interest Rate Swap						
Other Liabilities	—	—	—	—	—	21,404,791
Other Post Employment Benefits Obligation						
Net Pension Liability						
Total Non-Current Liabilities	72,635,131	16,403	—	—	—	23,885,170
TOTAL LIABILITIES	75,995,467	198,616	34,845	7,555	113,049	26,124,112
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	—	—
NET POSITION						
Net Investment in Capital Assets	7,260,558	1,531,003				
Restricted for:						
Nonexpendable	3,538,410	6,819,830	—	96,426	1,362,333	44,581,583
Expendable	5,205,719	5,708,842	—	—	824,933	46,508,799
Unrestricted (Deficit)	(6,958,696)	1,810,666		282,314	(57,300)	(2,704,572)
TOTAL NET POSITION	\$ 9,045,991	\$ 15,870,341	\$ —	\$ 378,740	\$ 2,129,966	\$ 88,385,810

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	Dalton State College Athletic Club	Dalton State College Foundation, Inc.	Darton Boosters, Inc.	Darton State College Foundation, Inc.	East Georgia State College Foundation, Inc.	Fort Valley State University Foundation, Inc.
ASSETS						
Current Assets						
Cash and Cash Equivalents	194,529	2,857,900	24,407	140,762	251,402	2,285,819
Short-term Investments			1,602,174	—		923,947
Accounts Receivable, net	1,478,720	2,491,743	—	18,665	14,537	23,369
Notes Receivable, net				—		
Investment in Capital Leases	—	—	22,179,023	—	—	845,579
Inventories				—		
Prepaid Items		15,385		—		
Other Assets				—		
Total Current Assets	1,673,249	5,365,028	23,805,604	159,427	265,939	4,078,714
Non-Current Assets						
Cash and Cash Equivalents				—		7,022,670
Accounts Receivable, net	—	4,905	364,286	—	362,739	23,904
Investments		10,687,778		3,882,614	866,642	
Notes Receivable, net				—		
Investment in Capital Leases	—	—	—	—	—	55,894,526
Other Assets		107,698		—		42,264
Non-current Cash (Externally Restricted)				—		
Short-term Investments (Externally Restricted)		14,061,361		—		5,968,279
Investments (Externally Restricted)				—	176,335	
Capital Assets, net	1,381,164	5,661,266		398,427	699,813	1,120,788
Total Non-Current Assets	1,381,164	30,523,008	364,286	4,281,041	2,105,529	70,072,431
TOTAL ASSETS	3,054,413	35,888,036	24,169,890	4,440,468	2,371,468	74,151,145
TOTAL DEFERRED OUTFLOWS OF RESOURCES	—	—	—	—	—	—
LIABILITIES						
Current Liabilities						
Accounts & Other Payable	31,917	130,075	—	—	122	2,457,901
Advances (Including Tuition and Fees)				—		
Deposits				—		
Deposits Held for Other Organizations				—		
Notes and Loans Payable		415,614		—		292,136
Lease Purchase Obligations	—	—	21,381,928	—	—	—
Revenue Bonds & Notes Payable				—		885,000
Liabilities Under Split Interest Agreements				—		
Interest Rate Swap				—		
Other Liabilities	—	—	—	—	—	—
Total Current Liabilities	31,917	545,689	21,381,928	—	122	3,635,037
Non-Current Liabilities						
Accounts & Other Payable	—	—	—	—	—	—
Advances (Including Tuition and Fees)				—		
Notes and Loans Payable		416,680		—		252,842
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable				—		60,045,940
Liabilities Under Split Interest Agreements				—		
Interest Rate Swap				—		
Other Liabilities	—	73,518	—	—	—	—
Other Post Employment Benefits Obligation				—		
Net Pension Liability				—		
Total Non-Current Liabilities	—	490,198	—	—	—	60,298,782
TOTAL LIABILITIES	31,917	1,035,887	21,381,928	—	122	63,933,819
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	—	—
NET POSITION						
Net Investment in Capital Assets		4,828,972		—	699,813	1,907,503
Restricted for:						
Nonexpendable	10,000	10,687,778	—	1,053,018	176,335	3,957,224
Expendable	2,483,805	7,492,400	—	496,997	1,507,112	5,039,904
Unrestricted (Deficit)	528,691	11,842,999	2,787,962	2,890,453	(11,914)	(687,305)
TOTAL NET POSITION	3,022,496	34,852,149	2,787,962	4,440,468	2,371,346	10,217,326

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	Foundation Properties, Inc. (Columbus State University)	Georgia Advanced Technology Ventures, Inc.	Georgia Center for Medical Innovation	Georgia College & State University Alumni Association, Inc.	Georgia College & State University Foundation	Georgia Gwinnett College Foundation, Inc.
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 4,788,380	\$ 4,057,209	\$ 275,966	\$ 228,466	\$ 2,999,196	\$ 1,673,085
Short-term Investments						
Accounts Receivable, net	3,219,426	395,880	218,538	1,500	284,714	94,304
Notes Receivable, net						
Investment in Capital Leases	—	—	—	—	2,146,083	11,205,484
Inventories				8,111		
Prepaid Items	19,110	63,802			29,508	
Other Assets	2,119	490,396				
Total Current Assets	8,029,035	5,007,287	494,504	238,077	5,459,501	12,972,873
Non-Current Assets						
Cash and Cash Equivalents	757,231	1,107,809				7,146,999
Accounts Receivable, net	1,716,158	620,852	—	—	173,804	282,640
Investments	1,918,481	15,000		8,042,970	35,022,134	4,066,870
Notes Receivable, net						
Investment in Capital Leases	—	—	—	—	84,779,839	152,530,613
Other Assets	653,449			4,500	692,305	11,314
Non-current Cash (Externally Restricted)						
Short-term Investments (Externally Restricted)						
Investments (Externally Restricted)					15,352,780	
Capital Assets, net	98,076,541	90,674,940	1,922,076	22,774	3,032,988	10,763,142
Total Non-Current Assets	103,121,860	92,418,601	1,922,076	8,070,244	139,053,850	174,801,578
TOTAL ASSETS	111,150,895	97,425,888	2,416,580	8,308,321	144,513,351	187,774,451
TOTAL DEFERRED OUTFLOWS OF RESOURCES	—	—	—	—	—	—
LIABILITIES						
Current Liabilities						
Accounts & Other Payable	32,109,025	324,980	548,467	17,148	1,237,212	1,381,813
Advances (Including Tuition and Fees)	11,130	872,253	75,353		1,173,766	500,000
Deposits		153,327				
Deposits Held for Other Organizations					3,228,224	
Notes and Loans Payable	1,000,000	740,435			273,221	111,586
Lease Purchase Obligations	—	1,516,529	—	—	—	—
Revenue Bonds & Notes Payable	1,730,000				2,365,000	1,800,000
Liabilities Under Split Interest Agreements						
Interest Rate Swap						3,741,162
Other Liabilities	226,612	764,478	—	—	—	—
Total Current Liabilities	35,076,767	4,372,002	623,820	17,148	8,277,423	7,534,561
Non-Current Liabilities						
Accounts & Other Payable	—	—	—	—	—	—
Advances (Including Tuition and Fees)		1,991,522				
Notes and Loans Payable	7,629,168	7,946,303	415,000		373,458	2,262,728
Lease Purchase Obligations	—	54,513,018	—	—	—	—
Revenue Bonds & Notes Payable	44,801,000				94,724,297	171,236,654
Liabilities Under Split Interest Agreements					846,253	
Interest Rate Swap					9,643,001	
Other Liabilities	—	—	210,918	—	—	—
Other Post Employment Benefits Obligation						
Net Pension Liability						
Total Non-Current Liabilities	52,430,168	64,450,843	625,918	—	105,587,009	173,499,382
TOTAL LIABILITIES	87,506,935	68,822,845	1,249,738	17,148	113,864,432	181,033,943
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	2,130,394	—
NET POSITION						
Net Investment in Capital Assets	(55,160,168)	25,958,655	1,922,076	22,774	2,386,309	8,388,828
Restricted for:						
Nonexpendable	1,901,451	—	—	5,270,220	16,001,741	1,261,066
Expendable	—	8,128,464	—	2,399,293	8,560,052	1,028,428
Unrestricted (Deficit)	76,902,677	(5,484,076)	(755,234)	598,886	1,570,423	(3,937,814)
TOTAL NET POSITION	\$ 23,643,960	\$ 28,603,043	\$ 1,166,842	\$ 8,291,173	\$ 28,518,525	\$ 6,740,508

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	Georgia Health Sciences Foundation, Inc.	Georgia Highlands College Foundation, Inc.	Georgia Southern University Athletic Foundation, Inc.	Georgia Southern University Foundation, Inc.	Georgia Southern Housing Foundation, Inc.	Georgia Southern University Research & Service Foundation, Inc.
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 263,626	\$ 604,302	\$ 6,003,660	\$ 224,420	\$ 2,918,837	\$ 3,833,057
Short-term Investments	10,196,373				5,446,272	
Accounts Receivable, net	4,770,347	1,500	601,519	34,934	128,732	3,444,348
Notes Receivable, net						
Investment in Capital Leases	—	302,913	376,466	—	7,000,900	—
Inventories						1,673
Prepaid Items	58,754	8,268	3,910		15,598	37,125
Other Assets			1,628,649	903,771		
Total Current Assets	15,289,100	916,983	8,614,204	1,163,125	15,510,339	7,316,203
Non-Current Assets						
Cash and Cash Equivalents		491,426	1,715,083		34,321,466	
Accounts Receivable, net	1,780,440	—	1,523,681	1,105,770	—	—
Investments	4,629,129	18,253,705	1,263,671	59,961,089		
Notes Receivable, net						
Investment in Capital Leases	—	—	20,305,871	—	191,293,156	—
Other Assets	522,500		14,596	2,130,988	—	
Non-current Cash (Externally Restricted)		909,254				
Short-term Investments (Externally Restricted)						
Investments (Externally Restricted)	2,423,183					
Capital Assets, net		1,045	2,860,838	1,261,276	436,692	
Total Non-Current Assets	9,355,252	19,655,430	27,683,740	64,459,123	226,051,314	—
TOTAL ASSETS	24,644,352	20,572,413	36,297,944	65,622,248	241,561,653	7,316,203
TOTAL DEFERRED OUTFLOWS OF RESOURCES	—	—	—	—	—	—
LIABILITIES						
Current Liabilities						
Accounts & Other Payable	197,404	34,918	487,889	141,617	6,163,154	2,194,174
Advances (Including Tuition and Fees)	1,541,873		690,475			
Deposits						
Deposits Held for Other Organizations						767,228
Notes and Loans Payable	789,686		41,456			
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable		430,000	520,000		7,443,201	
Liabilities Under Split Interest Agreements	90,485					
Interest Rate Swap						
Other Liabilities	3,058	—	—	—	—	—
Total Current Liabilities	2,622,506	464,918	1,739,820	141,617	13,606,355	2,961,402
Non-Current Liabilities						
Accounts & Other Payable	—	—	—	—	3,096,400	—
Advances (Including Tuition and Fees)						
Notes and Loans Payable			98,052			
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable		16,177,871	21,148,678		194,670,669	
Liabilities Under Split Interest Agreements	203,461					
Interest Rate Swap						
Other Liabilities	—	—	—	56,937	4,911,828	—
Other Post Employment Benefits Obligation						
Net Pension Liability						
Total Non-Current Liabilities	203,461	16,177,871	21,246,730	56,937	202,678,897	—
TOTAL LIABILITIES	2,825,967	16,642,789	22,986,550	198,554	216,285,252	2,961,402
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	—	1,237,421
NET POSITION						
Net Investment in Capital Assets		1,045	1,734,990	1,261,276	436,692	
Restricted for:						
Nonexpendable	2,423,183	927,680	1,097,919	36,464,164	—	—
Expendable	15,336,006	1,769,641	6,899,415	22,412,790	27,093,978	—
Unrestricted (Deficit)	4,059,196	1,231,258	3,579,070	5,285,464	(2,254,269)	3,117,380
TOTAL NET POSITION	\$ 21,818,385	\$ 3,929,624	\$ 13,311,394	\$ 65,423,694	\$ 25,276,401	\$ 3,117,380

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	Georgia Southwestern State University Foundation, Inc.	Georgia State University Alumni Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation Inc. and Affiliates	Georgia Tech Alumni Association	Georgia Tech Athletic Association
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 3,896,591	\$ 301,613	\$ 6,608,614	\$ 9,340,668	\$ 379,723	\$ 6,279,261
Short-term Investments	—	1,314,681	—	—	—	—
Accounts Receivable, net	1,104,110	56,750	8,580,436	22,462,067	65,256	6,186,630
Notes Receivable, net	—	—	—	—	—	—
Investment in Capital Leases	—	—	7,433,260	—	—	—
Inventories	—	—	—	—	10,077	—
Prepaid Items	3,687	53,183	—	17,271,722	61,785	1,159,416
Other Assets	—	—	506,712	—	—	—
Total Current Assets	5,004,388	1,726,227	23,129,022	49,074,457	516,841	13,625,307
Non-Current Assets						
Cash and Cash Equivalents	4,703,818	22,859	29,059,109	—	—	—
Accounts Receivable, net	—	—	11,930,560	—	—	5,287,450
Investments	61,259,370	—	100,567,247	8,449,855	—	105,609,000
Notes Receivable, net	—	—	—	—	—	—
Investment in Capital Leases	—	—	133,255,634	72,366,210	—	—
Other Assets	14,834	—	3,837,931	—	—	728,270
Non-current Cash (Externally Restricted)	—	—	—	—	—	—
Short-term Investments (Externally Restricted)	—	—	—	—	—	—
Investments (Externally Restricted)	—	—	118,798,858	—	—	—
Capital Assets, net	664,732	29,883	15,388,234	9,145,925	331,932	164,857,696
Total Non-Current Assets	66,642,754	52,742	412,837,573	89,961,990	331,932	276,482,416
TOTAL ASSETS	71,647,142	1,778,969	435,966,595	139,036,447	848,773	290,107,723
TOTAL DEFERRED OUTFLOWS OF RESOURCES	—	—	—	8,774,458	—	18,624,539
LIABILITIES						
Current Liabilities						
Accounts & Other Payable	—	45,439	4,430,861	24,078,932	106,405	5,470,497
Advances (Including Tuition and Fees)	—	2,275	16,079,406	—	103,671	508,993
Deposits	—	—	—	—	—	15,279,004
Deposits Held for Other Organizations	—	—	2,281,025	—	—	—
Notes and Loans Payable	745,000	—	—	—	—	943,965
Lease Purchase Obligations	—	—	584,500	—	—	73,133
Revenue Bonds & Notes Payable	—	—	6,085,000	—	—	1,105,000
Liabilities Under Split Interest Agreements	—	—	—	—	—	—
Interest Rate Swap	—	—	—	—	—	—
Other Liabilities	123,790	—	802,593	—	383,867	1,575,564
Total Current Liabilities	868,790	47,714	30,263,385	24,078,932	593,943	24,956,156
Non-Current Liabilities						
Accounts & Other Payable	—	—	—	—	—	—
Advances (Including Tuition and Fees)	—	—	1,297,669	—	—	—
Notes and Loans Payable	35,596,764	—	—	—	—	5,082,536
Lease Purchase Obligations	—	—	617,900	—	—	120,902
Revenue Bonds & Notes Payable	—	—	129,003,422	81,500,392	—	216,583,039
Liabilities Under Split Interest Agreements	—	—	1,690,023	—	—	—
Interest Rate Swap	—	—	10,881,060	—	—	—
Other Liabilities	—	—	6,346,539	—	—	650,740
Other Post Employment Benefits Obligation	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
Total Non-Current Liabilities	35,596,764	—	149,836,613	81,500,392	—	222,437,217
TOTAL LIABILITIES	36,465,554	47,714	180,099,998	105,579,324	593,943	247,393,373
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	17,264,201	—	—
NET POSITION						
Net Investment in Capital Assets	—	—	15,388,234	9,145,925	331,932	(40,529,669)
Restricted for:						
Nonexpendable	12,565,262	—	128,335,053	—	—	38,323,155
Expendable	14,460,410	33,833	88,583,822	7,036,458	—	57,810,372
Unrestricted (Deficit)	8,155,916	1,697,422	23,559,488	8,784,997	(77,102)	5,735,031
TOTAL NET POSITION	\$ 35,181,588	\$ 1,731,255	\$ 255,866,597	\$ 24,967,380	\$ 254,830	\$ 61,338,889

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	Georgia Tech Facilities, Inc.	Georgia Tech Foundation, Inc.	Georgia Tech Research Corporation	Georgia Tech Global	Gordon State College Foundation, Inc. & Subsidiaries	James M. Dye Foundation, Inc.
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 6,002,122	\$ 5,484,000	\$ 98,364,276	\$ 2,497,411	\$ 497,053	\$ 128,098
Short-term Investments					—	
Accounts Receivable, net	704,673	19,112,000	118,550,521	8,209	6,407	—
Notes Receivable, net	600,000				—	
Investment in Capital Leases	9,018,038	6,613,160	327,503	—	42,206,003	—
Inventories					—	
Prepaid Items	255,892		71,617	11,785	—	606
Other Assets					—	
Total Current Assets	16,580,725	31,209,160	217,313,917	2,517,405	42,709,463	128,704
Non-Current Assets						
Cash and Cash Equivalents	3,794,047	10,857,000			—	
Accounts Receivable, net	6,771,775	105,211,000	3	3,700	—	1,985
Investments		913,577,000	128		9,130,836	2,292,567
Notes Receivable, net	1,104,314				—	
Investment in Capital Leases	225,470,210	117,218,159	4,466,472	—	—	—
Other Assets	3,681,250	24,857,681			5,442,681	
Non-current Cash (Externally Restricted)					—	
Short-term Investments (Externally Restricted)					—	
Investments (Externally Restricted)		621,400,000			—	
Capital Assets, net	4,569,199	112,110,000	1,223,076	32,328	—	
Total Non-Current Assets	245,390,795	1,905,230,840	5,689,679	36,028	14,573,517	2,294,552
TOTAL ASSETS	261,971,520	1,936,440,000	223,003,596	2,553,433	57,282,980	2,423,256
TOTAL DEFERRED OUTFLOWS OF RESOURCES	—	—	—	—	—	—
LIABILITIES						
Current Liabilities						
Accounts & Other Payable	2,053,522	9,520,020	76,864,935	40,392	6,457	5,701
Advances (Including Tuition and Fees)	742,825	23,784,033	49,399,271	2,295,293	—	
Deposits		201,855			—	
Deposits Held for Other Organizations			29,998,329		—	
Notes and Loans Payable		25,928,644			—	
Lease Purchase Obligations	—	—	368,794	—	—	—
Revenue Bonds & Notes Payable	9,254,450	10,725,000			1,031,900	
Liabilities Under Split Interest Agreements		1,633,328			—	
Interest Rate Swap					—	
Other Liabilities	—	348,623	5,826,913	55,045	—	61,623
Total Current Liabilities	12,050,797	72,141,503	162,458,242	2,390,730	1,038,357	67,324
Non-Current Liabilities						
Accounts & Other Payable	—	7,002,000	—	—	—	—
Advances (Including Tuition and Fees)	5,000				—	
Notes and Loans Payable		47,271,356			—	
Lease Purchase Obligations	—	—	4,425,181	—	—	—
Revenue Bonds & Notes Payable	228,739,517	247,498,000			40,273,560	
Liabilities Under Split Interest Agreements		14,396,672			—	
Interest Rate Swap					—	
Other Liabilities	—	7,337,469	—	—	1,965,087	—
Other Post Employment Benefits Obligation				69,177	—	
Net Pension Liability					—	
Total Non-Current Liabilities	228,744,517	323,505,497	4,425,181	69,177	42,238,647	—
TOTAL LIABILITIES	240,795,314	395,647,000	166,883,423	2,459,907	43,277,004	67,324
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	—	—
NET POSITION						
Net Investment in Capital Assets	4,569,215	47,569,500	1,223,076		—	
Restricted for:						
Nonexpendable	—	693,105,000	—	—	3,038,314	2,055,738
Expendable	8,251,952	726,967,000	—	—	730,409	162,785
Unrestricted (Deficit)	8,355,039	73,151,500	54,897,097	93,526	10,237,253	137,409
TOTAL NET POSITION	\$ 21,176,206	\$ 1,540,793,000	\$ 56,120,173	\$ 93,526	\$ 14,005,976	\$ 2,355,932

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)
JUNE 30, 2017

	Kennesaw State University Athletic Association, Inc.	Kennesaw State University Foundation, Inc.	Kennesaw State University Research & Service Foundation, Inc.	Medical College of Georgia Foundation	Middle Georgia State University Foundation, Inc. & Subsidiaries	Middle Georgia State University Real Estate Foundation, Inc.
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 4,279,617	\$ 21,866,638	\$ 3,224,225	\$ 2,530,713	\$ 418,018	\$ 261,264
Short-term Investments			1,695,299			
Accounts Receivable, net	1,691,870	2,261,796	2,196,398	166,242	239,187	119,743
Notes Receivable, net			—			
Investment in Capital Leases	—	8,684,557	—	—	—	1,617,112
Inventories	242,980		—			
Prepaid Items	71,777	225,364	8,580			
Other Assets	4,615		—	—		
Total Current Assets	6,290,859	33,038,355	7,124,502	2,696,955	657,205	1,998,119
Non-Current Assets						
Cash and Cash Equivalents		49,890,104	—		327,237	
Accounts Receivable, net	—	3,107,937	—	989,155	11,767	—
Investments		17,982,990	—	108,479,442		15,381,804
Notes Receivable, net			—			
Investment in Capital Leases	—	229,550,273	—	—	—	92,178,377
Other Assets			—	300,291	71,179	
Non-current Cash (Externally Restricted)			—			
Short-term Investments (Externally Restricted)			—			
Investments (Externally Restricted)		33,172,960	—	127,714,592	11,198,371	
Capital Assets, net	2,217,604	92,002,158	—	5,487,039		789,332
Total Non-Current Assets	2,217,604	425,706,422	—	242,970,519	11,608,554	108,349,513
TOTAL ASSETS	8,508,463	458,744,777	7,124,502	245,667,474	12,265,759	110,347,632
TOTAL DEFERRED OUTFLOWS OF RESOURCES	—	—	—	—	—	—
LIABILITIES						
Current Liabilities						
Accounts & Other Payable	2,185,711	12,343,866	—	—	378,757	2,309,235
Advances (Including Tuition and Fees)	676,091	1,288,440	493,925			
Deposits		36,469	—			
Deposits Held for Other Organizations			—		204,451	
Notes and Loans Payable	400,000		—	2,309,104		
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable		11,780,000	—			1,555,000
Liabilities Under Split Interest Agreements		18,800	—			
Interest Rate Swap			—			
Other Liabilities	—	—	—	27,172	—	—
Total Current Liabilities	3,261,802	25,467,575	493,925	2,336,276	583,208	3,864,235
Non-Current Liabilities						
Accounts & Other Payable	—	—	3,918,597	—	—	—
Advances (Including Tuition and Fees)	758,334		—			
Notes and Loans Payable	788,823		—			773,000
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable		372,553,171	—			91,242,763
Liabilities Under Split Interest Agreements		107,336	—	945,194		
Interest Rate Swap			—			
Other Liabilities	—	—	—	—	—	—
Other Post Employment Benefits Obligation			—			
Net Pension Liability			—			
Total Non-Current Liabilities	1,547,157	372,660,507	3,918,597	945,194	—	92,015,763
TOTAL LIABILITIES	4,808,959	398,128,082	4,412,522	3,281,470	583,208	95,879,998
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	—	—
NET POSITION						
Net Investment in Capital Assets	1,028,781	(33,985,324)		3,177,935		1,014,058
Restricted for:						
Nonexpendable	—	36,388,593	—	127,714,592	9,021,922	—
Expendable	819,542	17,129,008	547,911	77,800,657	2,412,901	13,131,605
Unrestricted (Deficit)	1,851,181	41,084,418	2,164,069	33,692,820	247,728	321,971
TOTAL NET POSITION	\$ 3,699,504	\$ 60,616,695	\$ 2,711,980	\$ 242,386,004	\$ 11,682,551	\$ 14,467,634

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)
JUNE 30, 2017

	Savannah State University Foundation, Inc. & Subsidiaries	South Georgia State College Foundation, Inc. & Subsidiaries	Southern Polytechnic Applied Research Corporation	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 439,105	\$ 1,022,236	\$ 754,555.18	\$ 45,805,638	\$ 17,685,430	\$ 36,727,235
Short-term Investments	198,370				113,570,412	
Accounts Receivable, net	309,475	—	217,889.3	2,485,558	21,652,353	36,468,706
Notes Receivable, net						
Investment in Capital Leases	—	—	—	—	—	7,990,341
Inventories						
Prepaid Items	6,046	24,038		742,999	381,599	227,249
Other Assets					—	20,382,914
Total Current Assets	952,996	1,046,274	972,444.48	49,034,195	153,289,794	101,796,445
Non-Current Assets						
Cash and Cash Equivalents	5,532,871					7,828,567
Accounts Receivable, net	—	—	—	—	41,917,388	—
Investments		4,124,641		50,910,910	102,216,384	50,174,814
Notes Receivable, net						
Investment in Capital Leases	81,539,485	30,839,002	—	—	—	257,115,849
Other Assets		844,897		496,506	14,958,700	754,033
Non-current Cash (Externally Restricted)						
Short-term Investments (Externally Restricted)						
Investments (Externally Restricted)		3,111,410			819,440,998	
Capital Assets, net		330,395		274,453,063	24,929,865	19,523,537
Total Non-Current Assets	87,072,356	39,250,345	—	325,860,479	1,003,463,335	335,396,800
TOTAL ASSETS	88,025,352	40,296,619	972,444.48	374,894,674	1,156,753,129	437,193,245
TOTAL DEFERRED OUTFLOWS OF RESOURCES	—	—	—	15,520,702	—	16,534,037
LIABILITIES						
Current Liabilities						
Accounts & Other Payable	564,970	86,979	582,742.5	17,946,910	4,147,635	42,122,690
Advances (Including Tuition and Fees)				25,740,505	641,469	2,186,282
Deposits						22,540,419
Deposits Held for Other Organizations					5,586,136	
Notes and Loans Payable						
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable		33,381,171		2,865,000		9,605,000
Liabilities Under Split Interest Agreements					745,760	
Interest Rate Swap	9,385,534				1,878,813	
Other Liabilities	—	135,167	1,814.91	—	—	—
Total Current Liabilities	9,950,504	33,603,317	584,557.41	46,552,415	12,999,813	76,454,391
Non-Current Liabilities						
Accounts & Other Payable	—	—	—	—	621,301	—
Advances (Including Tuition and Fees)						1,769,494
Notes and Loans Payable	1,584,960				11,205,000	8,516,222
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable	74,838,038			101,403,529		273,632,543
Liabilities Under Split Interest Agreements					8,442,818	
Interest Rate Swap				3,961,146	628,418	
Other Liabilities	—	—	—	494,297	—	—
Other Post Employment Benefits Obligation						
Net Pension Liability						
Total Non-Current Liabilities	76,422,998	—	—	105,858,972	20,897,537	283,918,259
TOTAL LIABILITIES	86,373,502	33,603,317	584,557.41	152,411,387	33,897,350	360,372,650
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	—	—
NET POSITION						
Net Investment in Capital Assets				181,744,090	8,138,729	11,007,315
Restricted for:						
Nonexpendable	110,000	2,850,148	—	—	539,734,884	—
Expendable	137,333	309,119	10,922.11	—	461,685,019	2,063,519
Unrestricted (Deficit)	1,404,517	3,534,035	376,964.96	56,259,899	113,297,147	80,283,798
TOTAL NET POSITION	\$ 1,651,850	\$ 6,693,302	\$ 387,887.07	\$ 238,003,989	\$ 1,122,855,779	\$ 93,354,632

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)
JUNE 30, 2017

	University of North Georgia Foundation - Dahlonega, Inc.	University of North Georgia Real Estate Foundation, Inc.	University of West Georgia Athletic Foundation, Inc.	University of West Georgia Foundation, Inc.	UWG Real Estate Foundation, Inc.	University System of Georgia Foundation, Inc. and Affiliates
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ (802,141)	\$ 1,664,635	\$ 528,480	\$ 3,187,439	\$ 509,355	\$ 413,374
Short-term Investments		—			667,842	
Accounts Receivable, net	259,943	130,673	284,048	1,050,445	—	33,096
Notes Receivable, net		—		371,681		
Investment in Capital Leases	—	2,596,987	—	1,316,717	2,419,019	3,952,636
Inventories		—				
Prepaid Items		120,336		15,336		
Other Assets		—		—	—	
Total Current Assets	(542,198)	4,512,631	812,528	5,941,618	3,596,216	4,399,106
Non-Current Assets						
Cash and Cash Equivalents	1,832,917	21,312,956		1,684,097	8,292,308	14,160,197
Accounts Receivable, net	250,763	—	276,360	3,828,274	—	—
Investments	60,974,956	—	562,717	28,830,085	243,150	5,436,309
Notes Receivable, net		—		—		
Investment in Capital Leases	—	118,405,379	—	41,774,039	116,839,596	253,470,637
Other Assets	60,333	—	94	666,519		890
Non-current Cash (Externally Restricted)		—		10,769,329		
Short-term Investments (Externally Restricted)		—				
Investments (Externally Restricted)		—				
Capital Assets, net	587,442	10,078,248		73,578		
Total Non-Current Assets	63,706,411	149,796,583	839,171	87,625,921	125,375,054	273,068,033
TOTAL ASSETS	63,164,213	154,309,214	1,651,699	93,567,539	128,971,270	277,467,139
TOTAL DEFERRED OUTFLOWS OF RESOURCES	—	—	—	—	—	—
LIABILITIES						
Current Liabilities						
Accounts & Other Payable	436,041	4,547,190	8,802	1,415,088	1,177,979	677,064
Advances (Including Tuition and Fees)		2,345,415	110,223			
Deposits		—				
Deposits Held for Other Organizations		—		554,092		890
Notes and Loans Payable	2,178,027	438,750				
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable		3,186,453		1,510,000	2,946,721	4,975,000
Liabilities Under Split Interest Agreements		—		—		
Interest Rate Swap		—				
Other Liabilities	—	—	—	—	—	—
Total Current Liabilities	2,614,068	10,517,808	119,025	3,479,180	4,124,700	5,652,954
Non-Current Liabilities						
Accounts & Other Payable	—	—	—	—	—	—
Advances (Including Tuition and Fees)		—				
Notes and Loans Payable		1,620,000				39,595,688
Lease Purchase Obligations	—	—	—	—	—	—
Revenue Bonds & Notes Payable		133,430,344		45,256,179	121,324,421	230,763,309
Liabilities Under Split Interest Agreements	9,130	—		79,805		
Interest Rate Swap		—				
Other Liabilities	—	—	—	—	—	—
Other Post Employment Benefits Obligation		—				
Net Pension Liability		—				
Total Non-Current Liabilities	9,130	135,050,344	—	45,335,984	121,324,421	270,358,997
TOTAL LIABILITIES	2,623,198	145,568,152	119,025	48,815,164	125,449,121	276,011,951
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	—	—	—
NET POSITION						
Net Investment in Capital Assets	587,442	2,861,423	96,244	73,578		
Restricted for:						
Nonexpendable	27,733,310	—	—	20,994,376	—	349,987
Expendable	28,093,116	—	1,811,597	13,134,429	—	527,494
Unrestricted (Deficit)	4,127,147	5,879,639	(375,167)	10,549,992	3,522,149	577,707
TOTAL NET POSITION	\$ 60,541,015	\$ 8,741,062	\$ 1,532,674	\$ 44,752,375	\$ 3,522,149	\$ 1,455,188

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF NET POSITION BY AFFILIATED ORGANIZATION (Unaudited)
JUNE 30, 2017

	VSU Auxiliary Services Real Estate Foundation	Valdosta State University Foundation, Inc.	Walter & Emilie Spivey Foundation	Total
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 2,722,247	\$ 3,775,742	\$ 62,647	\$ 394,487,378
Short-term Investments			6,327,602	
Accounts Receivable, net	686,725	200	—	422,862,426
Notes Receivable, net		29,915		1,001,596
Investment in Capital Leases	3,623,144	—	—	122,312,175
Inventories				19,267,974
Prepaid Items	13,817	16,727		38,557,186
Other Assets				44,734,826
Total Current Assets	7,045,933	3,822,584	6,390,249	1,263,783,997
Non-Current Assets				—
Cash and Cash Equivalents	9,144,179			240,440,746
Accounts Receivable, net	—	3,578,112	—	250,535,253
Investments		33,834,985		2,083,172,318
Notes Receivable, net				1,305,604
Investment in Capital Leases	168,513,203	—	—	2,617,452,016
Other Assets		977,398		87,684,185
Non-current Cash (Externally Restricted)				14,618,894
Short-term Investments (Externally Restricted)		919		20,565,115
Investments (Externally Restricted)				1,775,690,783
Capital Assets, net	227,338	7,340,012	139,882	1,261,394,073
Total Non-Current Assets	177,884,720	45,731,426	139,882	8,353,486,686
TOTAL ASSETS	184,930,653	49,554,010	6,530,131	—
TOTAL DEFERRED OUTFLOWS OF RESOURCES	—	—	—	61,755,268
LIABILITIES				
Current Liabilities				—
Accounts & Other Payable	1,894,883	76,593	5,650	392,841,891
Advances (Including Tuition and Fees)		254,333		132,086,258
Deposits				38,221,632
Deposits Held for Other Organizations		107,711		37,176,795
Notes and Loans Payable		72,539		45,982,132
Lease Purchase Obligations	—	—	—	29,857,549
Revenue Bonds & Notes Payable	3,035,000	266,581		124,955,477
Liabilities Under Split Interest Agreements		53,975		2,620,996
Interest Rate Swap				16,694,034
Other Liabilities	—	—	—	38,761,470
Total Current Liabilities	4,929,883	831,732	5,650	859,198,233
Non-Current Liabilities				—
Accounts & Other Payable	—	—	—	16,354,456
Advances (Including Tuition and Fees)				5,822,019
Notes and Loans Payable		1,134,700		294,728,131
Lease Purchase Obligations	—	—	—	83,725,494
Revenue Bonds & Notes Payable	167,191,153	3,646,245		3,428,008,338
Liabilities Under Split Interest Agreements		168,270		27,669,586
Interest Rate Swap	6,310,954	500,696		52,738,069
Other Liabilities	—	—	—	54,237,960
Other Post Employment Benefits Obligation				11,600,969
Net Pension Liability				—
Total Non-Current Liabilities	173,502,107	5,449,911	—	3,974,885,022
TOTAL LIABILITIES	178,431,990	6,281,643	5,650	4,834,083,255
TOTAL DEFERRED INFLOWS OF RESOURCES	—	—	—	20,664,732
NET POSITION				
Net Investment in Capital Assets	227,338	2,219,947	139,882	311,593,486
Restricted for:				—
Nonexpendable	—	31,312,886	—	1,847,834,363
Expendable	—	9,945,805	—	1,736,485,759
Unrestricted (Deficit)	6,271,325	(206,271)	6,384,599	928,361,534
TOTAL NET POSITION	\$ 6,498,663	\$ 43,272,367	\$ 6,524,481	\$ 4,824,275,142

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY AFFILIATED ORGANIZATION (Unaudited)
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Abraham Baldwin Agricultural College Foundation, Inc. & Subsidiaries	Albany State University Foundation, Inc.	Armstrong State University Educational Properties Foundation, Inc. & Subsidiaries	Armstrong State University Foundation, Inc.	Atlanta Metropolitan State College Projects Foundation, Inc.	Atlanta Metropolitan State College Foundation, Inc.
OPERATING REVENUES						
Student Tuition and Fees (net)						
Grants and Contracts						
Federal						
State						
Other						
Sales and Services	\$ 215,551					
Rents and Royalties	213,491	\$ 4,199,918	\$ 1,081,714			
Auxiliary Enterprises	—	—	—	—	—	—
Food Services						
Health Services						
Intercollegiate Athletics						
Gifts and Contributions	1,141,024	1,234,422		\$ 4,462,567		
Endowment Income	623,823					
Other Operating Revenues	45,488	199,788	1,922,429		\$ 794,971	\$ 145,588
Total Operating Revenues	2,239,377	5,634,128	3,004,143	4,462,567	794,971	145,588
OPERATING EXPENSES						
Salaries	347,065	—	22,730	—	—	—
Employee Benefits						
Other Personal Services			36,310	203,836		
Travel	57,485			44,287		
Scholarships and Fellowships	815,032			679,906		91,078
Utilities	4,105		12,130			
Supplies and Other Services	1,409,385	2,666,018	1,454,183	397,993	497,331	37,825
Depreciation	79,887					
Total Operating Expenses	2,712,959	2,666,018	1,525,353	1,326,022	497,331	128,903
Operating Income (Loss)	(473,582)	2,968,110	1,478,790	3,136,545	297,640	16,685
NONOPERATING REVENUES (EXPENSES)						
State Appropriations						
Grants and Contracts						
Federal						
State						
Other						
Gifts	(944,391)					
Investment Income	1,639,571	327,706	66,179	820,745		192
Interest Expense		(3,410,661)	(2,042,683)		(459,591)	
Other Nonoperating Revenues (Expenses)		77,260				
Net Nonoperating Revenues	695,180	(3,005,695)	(1,976,504)	820,745	(459,591)	192
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	221,598	(37,585)	(497,714)	3,957,290	(161,951)	16,877
Capital Grants and Gifts						
Federal						
State						
Other						
Additions to Permanent and Term Endowments	480,185			119,813		
Special Item			673,772			
Extraordinary Item						
Total Other Revenues, Expenses, Gains or Losses	480,185	—	673,772	119,813	—	—
Change in Net Position	701,783	(37,585)	176,058	4,077,103	(161,951)	16,877
Net Position, Beginning of Year	27,796,866	11,100,197	9,177,553	10,390,792	(443,022)	413,925
Net Position-End of Year	\$ 28,498,649	\$ 11,062,612	\$ 9,353,611	\$ 14,467,895	\$ (604,973)	\$ 430,802

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY AFFILIATED ORGANIZATION (Unaudited)
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Augusta University Foundation, Inc.	Augusta University Research Institute, Inc.	Augusta University College of Dental Medicine Faculty Practice Group d/b/a AU Dental Faculty Practice Group	AU Health System Inc	AU Medical Associates	Bainbridge State College Foundation
OPERATING REVENUES						
Student Tuition and Fees (net)						
Grants and Contracts						
Federal		\$ 50,742,878			\$ 1,615,076	
State						
Other		9,547,201				
Sales and Services	\$ 453,808			\$ 31,962,778		
Rents and Royalties	1,276,274	478,227		250,102	81,403	
Auxiliary Enterprises		—	—	—	—	—
Food Services				1,941,197		
Health Services			\$ 12,318,703	612,613,382	140,467,104	
Intercollegiate Athletics						
Gifts and Contributions	1,108,608					\$ 389,340
Endowment Income	1,023,803					
Other Operating Revenues	16,966					
Total Operating Revenues	3,879,459	60,768,306	12,318,703	646,767,459	142,163,583	389,340
OPERATING EXPENSES						
Salaries	—	—	2,300,776	248,460,099	29,489,419	—
Employee Benefits				54,263,244	27,193,176	
Other Personal Services				78,804,212	89,452,222	
Travel				813,662	2,393,843	
Scholarships and Fellowships	1,051,168				169,172	
Utilities				3,982,641	98,365	
Supplies and Other Services	1,059,977	60,496,796	10,588,318	265,946,995	13,319,265	122,633
Depreciation	16,122			33,593,642	781,266	
Total Operating Expenses	2,127,267	60,496,796	12,889,094	685,864,495	162,896,728	122,633
Operating Income (Loss)	1,752,192	271,510	(570,391)	(39,097,036)	(20,733,145)	266,707
NONOPERATING REVENUES (EXPENSES)						
State Appropriations				31,409,501		
Grants and Contracts						
Federal				2,967,388		
State				3,178,581		
Other				741		
Gifts						
Investment Income	1,912,775	55,228	939,954	4,114,965	2,106,759	
Interest Expense	(997,521)			2,307,576	(788,272)	8,943
Other Nonoperating Revenues (Expenses)	(271,369)	(99,563)		359,819	(25,075,751)	
Net Nonoperating Revenues	643,885	(44,335)	939,954	44,338,571	(23,757,264)	8,943
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	2,396,077	227,175	369,563	5,241,535	(44,490,409)	275,650
Capital Grants and Gifts						
Federal				88,747		
State						
Other				1,955,837		
Additions to Permanent and Term Endowments	741,239					
Special Item						
Extraordinary Item						
Total Other Revenues, Expenses, Gains or Losses	741,239	—	—	2,044,584	—	—
Change in Net Position	3,137,316	227,175	369,563	7,286,119	(44,490,409)	275,650
Net Position, Beginning of Year	32,677,340	8,236,438	1,813,252	278,400,744	78,565,002	1,987,699
Net Position-End of Year	\$ 35,814,656	\$ 8,463,613	\$ 2,182,815	\$ 285,686,863	\$ 34,074,593	\$ 2,263,349

**UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY AFFILIATED ORGANIZATION (Unaudited)
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	Clayton State University Foundation, Inc.	College of Coastal Georgia Foundation, Inc.	Columbus State University Research & Service Foundation	Columbus State University Alumni Association, Inc.	Columbus State University Athletic Fund, Inc.	Columbus State University Foundation, Inc.
OPERATING REVENUES						
Student Tuition and Fees (net)						
Grants and Contracts						
Federal						
State						
Other						
Sales and Services				\$ 15,855	\$ 30,259	\$ 1,328,881
Rents and Royalties	\$ 1,043,765	\$ 241,818	\$ 694			25,642
Auxiliary Enterprises	—	—	—	—	—	—
Food Services						
Health Services						
Intercollegiate Athletics						
Gifts and Contributions	1,392,349	532,371	48	50,905	41,067	28,679,752
Endowment Income		575,393				1,395,768
Other Operating Revenues	135,741			3,869		69,978
Total Operating Revenues	2,571,855	1,349,582	742	70,629	71,326	31,500,021
OPERATING EXPENSES						
Salaries	—	—	—	—	—	1,403,781
Employee Benefits						150,356
Other Personal Services						
Travel	152,842					387,333
Scholarships and Fellowships	309,963	653,395				321,514
Utilities						
Supplies and Other Services	1,484,390	31,907	500	99,637	228,898	19,248,765
Depreciation	389,215	42,686				
Total Operating Expenses	2,336,410	727,988	500	99,637	228,898	21,511,749
Operating Income (Loss)	235,445	621,594	242	(29,008)	(157,572)	9,988,272
NONOPERATING REVENUES (EXPENSES)						
State Appropriations						
Grants and Contracts						
Federal						
State						
Other						
Gifts						
Investment Income	3,463,289	366,653		2,933	(240,394)	31,626
Interest Expense	(3,509,558)					
Other Nonoperating Revenues (Expenses)		(858,316)				
Net Nonoperating Revenues	(46,269)	(491,663)	—	2,933	(240,394)	31,626
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	189,176	129,931	242	(26,075)	(397,966)	10,019,898
Capital Grants and Gifts						
Federal						
State						
Other						
Additions to Permanent and Term Endowments	205,577	32,507			6,150	897,552
Special Item						
Extraordinary Item						
Total Other Revenues, Expenses, Gains or Losses	205,577	32,507	—	—	6,150	897,552
Change in Net Position	394,753	162,438	242	(26,075)	(391,816)	10,917,450
Net Position, Beginning of Year	8,651,238	15,707,903	2,580	404,815	2,521,782	77,468,360
Net Position-End of Year	\$ 9,045,991	\$ 15,870,341	\$ 2,822	\$ 378,740	\$ 2,129,966	\$ 88,385,810

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY AFFILIATED ORGANIZATION (Unaudited)
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Dalton State College Athletic Club	Dalton State College Foundation, Inc.	Darton Boosters, Inc.	Darton State College Foundation, Inc.	East Georgia State College Foundation, Inc.	Fort Valley State University Foundation, Inc.
OPERATING REVENUES						
Student Tuition and Fees (net)				—		
Grants and Contracts						
Federal				—		
State				—		
Other				—		
Sales and Services			\$ 58,010	—		
Rents and Royalties			1,790,746	\$ 27,864		\$ 3,418,528
Auxiliary Enterprises	—	—	—	—	—	—
Food Services				—		
Health Services				—		
Intercollegiate Athletics				—		
Gifts and Contributions	\$ 540,951	\$ 416,558		256,438	\$ 766,421	1,086,728
Endowment Income				—		
Other Operating Revenues	231,765	50,754		—	5,642	
Total Operating Revenues	772,716	467,312	1,848,756	284,302	772,063	4,505,256
OPERATING EXPENSES						
Salaries	—	164,313	—	—	—	—
Employee Benefits				—		
Other Personal Services				—		
Travel				—		
Scholarships and Fellowships	664,829			226,024	300,056	
Utilities				—		
Supplies and Other Services	1,164,716	1,491,158	1,683,076	304,462	229,323	2,111,433
Depreciation		1,691		—	6,770	47,728
Total Operating Expenses	1,829,545	1,657,162	1,683,076	530,486	536,149	2,159,161
Operating Income (Loss)	(1,056,829)	(1,189,850)	165,680	(246,184)	235,914	2,346,095
NONOPERATING REVENUES (EXPENSES)						
State Appropriations				—		
Grants and Contracts						
Federal				—		
State				—		
Other				—		
Gifts				—		
Investment Income	49	1,266,583	4,353	129,258	107,357	923
Interest Expense		(21,303)		—		(2,685,167)
Other Nonoperating Revenues (Expenses)				(174,070)		
Net Nonoperating Revenues	49	1,245,280	4,353	(44,812)	107,357	(2,684,244)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(1,056,780)	55,430	170,033	(290,996)	343,271	(338,149)
Capital Grants and Gifts						
Federal				—		
State				—		
Other				—		
Additions to Permanent and Term Endowments		144,553		—	300	39,438
Special Item				—		
Extraordinary Item				—		
Total Other Revenues, Expenses, Gains or Losses	—	144,553	—	—	300	39,438
Change in Net Position	(1,056,780)	199,983	170,033	(290,996)	343,571	(298,711)
Net Position, Beginning of Year	4,079,276	34,652,166	2,617,929	4,731,464	2,027,775	10,516,037
Net Position-End of Year	\$ 3,022,496	\$ 34,852,149	\$ 2,787,962	\$ 4,440,468	\$ 2,371,346	\$ 10,217,326

**UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY AFFILIATED ORGANIZATION (Unaudited)
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	Foundation Properties, Inc. (Columbus State University)	Georgia Advanced Technology Ventures, Inc.	Georgia Center for Medical Innovation	Georgia College & State University Alumni Association, Inc.	Georgia College & State University Foundation	Georgia Gwinnett College Foundation, Inc.
OPERATING REVENUES						
Student Tuition and Fees (net)						
Grants and Contracts						
Federal						
State						
Other		\$ 29,595				
Sales and Services		166,999	\$ 1,291,532			\$ 79,006
Rents and Royalties	\$ 5,574,554	12,750,573			\$ 6,455,162	11,575,854
Auxiliary Enterprises	—		—	—		
Food Services						
Health Services						
Intercollegiate Athletics						
Gifts and Contributions	84,604	427,596	76,237	\$ 131,019	1,812,948	1,324,289
Endowment Income				919,528	3,244,705	
Other Operating Revenues	4,967	3,253		94,518	123,712	378,000
Total Operating Revenues	5,664,125	13,378,016	1,367,769	1,145,065	11,636,527	13,357,149
OPERATING EXPENSES						
Salaries	246,000	57,190	559,098	124,752	687,008	—
Employee Benefits	30,928		152,476			
Other Personal Services			481,754			
Travel			28,053	2,278	71,072	
Scholarships and Fellowships					744,748	251,913
Utilities	35,012	39,500			87,198	
Supplies and Other Services	1,035,249	6,011,245	402,891	385,521	2,638,718	1,544,717
Depreciation	2,270,497	2,604,228	245,509	401	105,872	82,597
Total Operating Expenses	3,617,686	8,712,163	1,869,781	512,952	4,334,616	1,879,227
Operating Income (Loss)	2,046,439	4,665,853	(502,012)	632,113	7,301,911	11,477,922
NONOPERATING REVENUES (EXPENSES)						
State Appropriations						
Grants and Contracts						
Federal						
State						
Other						
Gifts						
Investment Income	90,079	19,821	300	—	6,148,739	1,498,018
Interest Expense	(1,590,640)	(3,410,537)	(2,104)		(4,192,793)	(7,515,725)
Other Nonoperating Revenues (Expenses)						
Net Nonoperating Revenues	(1,500,561)	(3,390,716)	(1,804)	—	1,955,946	(6,017,707)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	545,878	1,275,137	(503,816)	632,113	9,257,857	5,460,215
Capital Grants and Gifts						
Federal						
State		1,000,000				
Other		2,000,000				
Additions to Permanent and Term Endowments				86,864	1,904,607	(48,975)
Special Item						
Extraordinary Item						
Total Other Revenues, Expenses, Gains or Losses	—	3,000,000	—	86,864	1,904,607	(48,975)
Change in Net Position	545,878	4,275,137	(503,816)	718,977	11,162,464	5,411,240
Net Position, Beginning of Year	23,098,082	24,327,906	1,670,658	7,572,196	17,356,061	1,329,268
Net Position-End of Year	\$ 23,643,960	\$ 28,603,043	\$ 1,166,842	\$ 8,291,173	\$ 28,518,525	\$ 6,740,508

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY AFFILIATED ORGANIZATION (Unaudited)
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Georgia Health Sciences Foundation, Inc.	Georgia Highlands College Foundation, Inc.	Georgia Southern University Athletic Foundation, Inc.	Georgia Southern University Foundation, Inc.	Georgia Southern Housing Foundation, Inc.	Georgia Southern University Research & Service Foundation, Inc.
OPERATING REVENUES						
Student Tuition and Fees (net)						
Grants and Contracts						
Federal						\$ 5,120,931
State						682,902
Other	\$ 405,857					901,811
Sales and Services	922,460	\$ 49,036				7,877,356
Rents and Royalties	12,300	1,057,007	\$ 1,375,988		\$ 10,543,159	
Auxiliary Enterprises		—	—	—		—
Food Services						
Health Services						
Intercollegiate Athletics						
Gifts and Contributions	1,356,302	391,603	3,506,311	\$ 8,643,633		
Endowment Income		59,179	56,749	5,081,842		
Other Operating Revenues	1,595,639		16,956	569,338	1,740,776	2,235
Total Operating Revenues	4,292,558	1,556,825	4,956,004	14,294,813	12,283,935	14,585,235
OPERATING EXPENSES						
Salaries	—	—	672,995	2,982,633	—	—
Employee Benefits			24,600			
Other Personal Services	987,036				201,703	112,528
Travel	134,746		37,244	431,407		1,491
Scholarships and Fellowships	1,096,559	116,624	15,350	9,277		
Utilities			237			
Supplies and Other Services	6,037,878	289,781	2,298,593	3,772,123	1,384,424	14,616,778
Depreciation		4,522	316,473	17,714		176
Total Operating Expenses	8,256,219	410,927	3,365,492	7,213,154	1,586,127	14,730,973
Operating Income (Loss)	(3,963,661)	1,145,898	1,590,512	7,081,659	10,697,808	(145,738)
NONOPERATING REVENUES (EXPENSES)						
State Appropriations						
Grants and Contracts						
Federal						
State						
Other						
Gifts						
Investment Income	342,379	174,498	75,156	1,122,134	752,945	3,905
Interest Expense	(26,021)	(852,796)	(869,321)	(6,784)	(8,877,741)	(1,619)
Other Nonoperating Revenues (Expenses)				(134,501)		
Net Nonoperating Revenues	316,358	(678,298)	(794,165)	980,849	(8,124,796)	2,286
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(3,647,303)	467,600	796,347	8,062,508	2,573,012	(143,452)
Capital Grants and Gifts						
Federal						
State						
Other						
Additions to Permanent and Term Endowments	355,219	4,910	445,966	(218)		
Special Item						
Extraordinary Item						
Total Other Revenues, Expenses, Gains or Losses	355,219	4,910	445,966	(218)	—	—
Change in Net Position	(3,292,084)	472,510	1,242,313	8,062,290	2,573,012	(143,452)
Net Position, Beginning of Year	25,110,469	3,457,114	12,069,081	57,361,404	22,703,389	3,260,832
Net Position-End of Year	\$ 21,818,385	\$ 3,929,624	\$ 13,311,394	\$ 65,423,694	\$ 25,276,401	\$ 3,117,380

**UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY AFFILIATED ORGANIZATION (Unaudited)
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	Georgia Southwestern State University Foundation, Inc.	Georgia State University Alumni Association, Inc.	Georgia State University Foundation, Inc.	Georgia State University Research Foundation Inc. and Affiliates	Georgia Tech Alumni Association	Georgia Tech Athletic Association
OPERATING REVENUES						
Student Tuition and Fees (net)	—	—			\$ 5,432,221	
Grants and Contracts						
Federal	—	—		\$ 74,446,010		
State	—	—		1,069,375		
Other	—	—		17,863,149		
Sales and Services	—	\$ 505,421			1,574,400	\$ 56,864,958
Rents and Royalties	\$ 2,474,475	—	\$ 20,163,192	129,335	180,646	9,591,533
Auxiliary Enterprises	—	—		—	—	—
Food Services	—	—				
Health Services	—	—				
Intercollegiate Athletics	—	—				
Gifts and Contributions	2,728,353	26,543	27,097,797			4,122,330
Endowment Income	—	—	5,747,888			
Other Operating Revenues	410,768	166,089	(7,446,971)	2,835,187	25,925	
Total Operating Revenues	5,613,596	698,053	45,561,906	96,343,056	7,213,192	70,578,821
OPERATING EXPENSES						
Salaries	—	—	—	—	3,725,113	—
Employee Benefits	—	—			892,248	
Other Personal Services	—	—				
Travel	—	—	1,204,375	97,054	342,373	6,319,413
Scholarships and Fellowships	858,601	46,694	7,237,984		85,238	11,071,266
Utilities	—	—		6,328		
Supplies and Other Services	3,702,879	721,803	36,232,588	92,696,632	1,907,367	47,327,899
Depreciation	—	—	591,008	653,811	72,737	7,587,218
Total Operating Expenses	4,561,480	768,497	45,265,955	93,453,825	7,025,076	72,305,796
Operating Income (Loss)	1,052,116	(70,444)	295,951	2,889,231	188,116	(1,726,975)
NONOPERATING REVENUES (EXPENSES)						
State Appropriations	—	—				
Grants and Contracts						
Federal	—	—				
State	—	—				
Other	—	—				
Gifts	—	—		(80,935)		
Investment Income	449,865	—	8,358,721	605,029		12,428,554
Interest Expense	—	—	(1,696,322)	(2,819,904)		(12,592,465)
Other Nonoperating Revenues (Expenses)	3,003,445	65,185		633,791		(1,149,375)
Net Nonoperating Revenues	3,453,310	65,185	6,662,399	(1,662,019)	—	(1,313,286)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	4,505,426	(5,259)	6,958,350	1,227,212	188,116	(3,040,261)
Capital Grants and Gifts						
Federal	—	—				
State	—	—				
Other	—	—				
Additions to Permanent and Term Endowments	—	—	12,542,959			1,969,742
Special Item	—	—				
Extraordinary Item	—	—				
Total Other Revenues, Expenses, Gains or Losses	—	—	12,542,959	—	—	1,969,742
Change in Net Position	4,505,426	(5,259)	19,501,309	1,227,212	188,116	(1,070,519)
Net Position, Beginning of Year	30,676,162	1,736,514	236,365,288	23,740,168	66,714	62,409,408
Net Position-End of Year	\$ 35,181,588	\$ 1,731,255	\$ 255,866,597	\$ 24,967,380	\$ 254,830	\$ 61,338,889

**UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY AFFILIATED ORGANIZATION (Unaudited)
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	Georgia Tech Facilities, Inc.	Georgia Tech Foundation, Inc.	Georgia Tech Research Corporation	Georgia Tech Global	Gordon State College Foundation, Inc. & Subsidiaries	James M. Dye Foundation, Inc.
OPERATING REVENUES						
Student Tuition and Fees (net)					—	
Grants and Contracts						
Federal			\$ 583,812,699		—	
State			7,573,630		—	
Other	\$ 1,980,000		90,628,106		—	
Sales and Services	8,784	\$ 21,000		\$ 252,839	—	
Rents and Royalties	14,661,626	25,570,000	11,888,231		\$ 2,872,571	
Auxiliary Enterprises			—	—	—	—
Food Services					—	
Health Services					—	
Intercollegiate Athletics					—	
Gifts and Contributions		47,181,000		902,854	256,469	\$ 83,552
Endowment Income					—	
Other Operating Revenues					39,522	
Total Operating Revenues	16,650,410	72,772,000	693,902,666	1,155,693	3,168,562	83,552
OPERATING EXPENSES						
Salaries	—	3,403,000	—	430,148	—	—
Employee Benefits		529,000			—	
Other Personal Services		72,000			—	
Travel		92,000	127,858	4,060	—	
Scholarships and Fellowships					318,138	69,476
Utilities	193,750	512,000		8,237	—	
Supplies and Other Services	749,134	104,195,000	690,277,098	711,140	149,848	20,811
Depreciation	60,000	4,352,000	340,865	8,745	—	
Total Operating Expenses	1,002,884	113,155,000	690,745,821	1,162,330	467,986	90,287
Operating Income (Loss)	15,647,526	(40,383,000)	3,156,845	(6,637)	2,700,576	(6,735)
NONOPERATING REVENUES (EXPENSES)						
State Appropriations					—	
Grants and Contracts						
Federal					—	
State					—	
Other					—	
Gifts					—	
Investment Income	123,965	185,908,000	422,189		484,326	36,241
Interest Expense	(12,905,063)	(12,380,000)			(1,941,393)	
Other Nonoperating Revenues (Expenses)			370,702	653	—	105,902
Net Nonoperating Revenues	(12,781,098)	173,528,000	792,891	653	(1,457,067)	142,143
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	2,866,428	133,145,000	3,949,736	(5,984)	1,243,509	135,408
Capital Grants and Gifts						
Federal					—	
State					—	
Other					—	
Additions to Permanent and Term Endowments		39,717,000			—	
Special Item					—	
Extraordinary Item					—	
Total Other Revenues, Expenses, Gains or Losses	—	39,717,000	—	—	—	—
Change in Net Position	2,866,428	172,862,000	3,949,736	(5,984)	1,243,509	135,408
Net Position, Beginning of Year	18,309,778	1,367,931,000	52,170,437	99,510	12,762,467	2,220,524
Net Position-End of Year	\$ 21,176,206	\$ 1,540,793,000	\$ 56,120,173	\$ 93,526	\$ 14,005,976	\$ 2,355,932

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY AFFILIATED ORGANIZATION (Unaudited)
FOR FISCAL YEAR ENDED JUNE 30, 2017

	Kennesaw State University Athletic Association, Inc.	Kennesaw State University Foundation, Inc.	Kennesaw State University Research & Service Foundation, Inc.	Medical College of Georgia Foundation	Middle Georgia State University Foundation, Inc. & Subsidiaries	Middle Georgia State University Real Estate Foundation, Inc.
OPERATING REVENUES						
Student Tuition and Fees (net)						
Grants and Contracts						
Federal			\$ 4,777,507			
State						
Other			1,859,457			
Sales and Services	\$ 5,686,095	\$ 532,957	1,490,157			
Rents and Royalties		41,124,292	65,111	\$ 1,458,843		\$ 5,163,607
Auxiliary Enterprises			—		—	
Food Services						
Health Services						
Intercollegiate Athletics						
Gifts and Contributions	4,707,755	3,312,047	662,185	2,406,967	\$ 875,573	
Endowment Income		1,204,044				
Other Operating Revenues	14,955,975	9,948,612	47,123	27,069	168,935	
Total Operating Revenues	25,349,825	56,121,952	8,901,540	3,892,879	1,044,508	5,163,607
OPERATING EXPENSES						
Salaries	7,270,002	3,607,058	332,213	848,864	—	—
Employee Benefits			—	127,613		
Other Personal Services		36,014	859,370			
Travel	2,394,864	25,375	239,137	4,367		
Scholarships and Fellowships	5,451,689		1,000	1,845,941	318,560	
Utilities		3,041,028	289	26,524		
Supplies and Other Services	8,381,848	17,241,864	7,286,192	6,847,271	1,147,034	220,980
Depreciation	436,626	5,114,391		19,502		
Total Operating Expenses	23,935,029	29,065,730	8,718,201	9,720,082	1,465,594	220,980
Operating Income (Loss)	1,414,796	27,056,222	183,339	(5,827,203)	(421,086)	4,942,627
NONOPERATING REVENUES (EXPENSES)						
State Appropriations						
Grants and Contracts						
Federal						
State						
Other						
Gifts						
Investment Income		2,649,294	22,307	27,183,044	746,069	266,400
Interest Expense	(32,529)	(15,273,484)				(4,584,391)
Other Nonoperating Revenues (Expenses)						2,250
Net Nonoperating Revenues	(32,529)	(12,624,190)	22,307	27,183,044	746,069	(4,315,741)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	1,382,267	14,432,032	205,646	21,355,841	324,983	626,886
Capital Grants and Gifts						
Federal						
State						
Other						
Additions to Permanent and Term Endowments				1,988,107	624,016	
Special Item		940,155				
Extraordinary Item		(3,324,141)				
Total Other Revenues, Expenses, Gains or Losses	—	(2,383,986)	—	1,988,107	624,016	—
Change in Net Position	1,382,267	12,048,046	205,646	23,343,948	948,999	626,886
Net Position, Beginning of Year	2,317,237	48,568,649	—	219,042,056	10,733,552	13,840,748
Net Position-End of Year	\$ 3,699,504	\$ 60,616,695	\$ 205,646	\$ 242,386,004	\$ 11,682,551	\$ 14,467,634

**UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY AFFILIATED ORGANIZATION (Unaudited)
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	Savannah State University Foundation, Inc. & Subsidiaries	South Georgia State College Foundation, Inc. & Subsidiaries	Southern Polytechnic Applied Research Corporation	University of Georgia Athletic Association, Inc.	University of Georgia Foundation	University of Georgia Research Foundation, Inc.
OPERATING REVENUES						
Student Tuition and Fees (net)						
Grants and Contracts						
Federal			\$ (26,391)			
State			108,301			
Other			(12,632)			\$ 182,409,293
Sales and Services					\$ 8,489,747	
Rents and Royalties	\$ 5,051,721	\$ 173,174			1,087,217	27,574,536
Auxiliary Enterprises	—	—	—	—		—
Food Services						
Health Services						
Intercollegiate Athletics				\$ 130,318,885		
Gifts and Contributions	38,845	348,614			55,337,232	
Endowment Income						
Other Operating Revenues						
Total Operating Revenues	5,090,566	521,788	69,278	130,318,885	64,914,196	209,983,829
OPERATING EXPENSES						
Salaries	—	—	21,643	11,911,586	441,568	—
Employee Benefits			2,383	360,884		
Other Personal Services	180,108		2,618			
Travel			532	10,608,328	902,749	
Scholarships and Fellowships		84,793			63,000	
Utilities						
Supplies and Other Services	858,567		116,479	91,703,657	77,618,273	194,300,429
Depreciation				8,991,206	1,320,150	115,077
Total Operating Expenses	1,038,675	84,793	143,655	123,575,661	80,345,740	194,415,506
Operating Income (Loss)	4,051,891	436,995	(74,377)	6,743,224	(15,431,544)	15,568,323
NONOPERATING REVENUES (EXPENSES)						
State Appropriations						
Grants and Contracts						
Federal						
State						
Other						
Gifts				22,000,000		
Investment Income	17,489	74,035		3,844,105	106,844,666	3,231,309
Interest Expense	(7,852,109)	(1,640,063)		(2,396,646)	1,766,237	(12,388,604)
Other Nonoperating Revenues (Expenses)		2,004,019		(58,320)		(197,514)
Net Nonoperating Revenues	(7,834,620)	437,991	—	23,389,139	108,610,903	(9,354,809)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(3,782,729)	874,986	(74,377)	30,132,363	93,179,359	6,213,514
Capital Grants and Gifts						
Federal						
State						
Other						
Additions to Permanent and Term Endowments					53,483,214	
Special Item	4,172,972					
Extraordinary Item						
Total Other Revenues, Expenses, Gains or Losses	4,172,972	—	—	—	53,483,214	—
Change in Net Position	390,243	874,986	(74,377)	30,132,363	146,662,573	6,213,514
Net Position, Beginning of Year	1,261,607	5,818,316	—	207,871,626	976,193,206	87,141,118
Net Position-End of Year	\$ 1,651,850	\$ 6,693,302	\$ (74,377)	\$ 238,003,989	\$ 1,122,855,779	\$ 93,354,632

**UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY AFFILIATED ORGANIZATION (Unaudited)
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	University of North Georgia Foundation - Dahlonega, Inc.	University of North Georgia Real Estate Foundation, Inc.	University of West Georgia Athletic Foundation, Inc.	University of West Georgia Foundation, Inc.	UWG Real Estate Foundation, Inc.	University System of Georgia Foundation, Inc. and Affiliates
OPERATING REVENUES						
Student Tuition and Fees (net)		—				
Grants and Contracts						
Federal		—				
State		—				
Other		—				
Sales and Services		\$ 38,400	\$ 281,338	\$ 100,000		\$ 586,393
Rents and Royalties	\$ 76,670	8,009,644		3,325,259	\$ 6,455,564	15,160,170
Auxiliary Enterprises	—	—	—	—		
Food Services		—				
Health Services		—				
Intercollegiate Athletics		—				
Gifts and Contributions	3,228,279	151,602	1,030,248	4,772,853		1,397,572
Endowment Income	2,210,503	—		770,614		21,479
Other Operating Revenues		—	149,081	239,645	—	
Total Operating Revenues	5,515,452	8,199,646	1,460,667	9,208,371	6,455,564	17,165,614
OPERATING EXPENSES						
Salaries	—	—	201,974	—	—	—
Employee Benefits		—				
Other Personal Services		—	7,454			
Travel		—	205,657	126,300		59,325
Scholarships and Fellowships	2,662,259	—	19,400	1,263,897		1,578,671
Utilities		—	18,618			
Supplies and Other Services	4,262,874	700,321	822,175	4,602,666	717,800	1,855,931
Depreciation	27,013	116,941				
Total Operating Expenses	6,952,146	817,262	1,275,278	5,992,863	717,800	3,493,927
Operating Income (Loss)	(1,436,694)	7,382,384	185,389	3,215,508	5,737,764	13,671,687
NONOPERATING REVENUES (EXPENSES)						
State Appropriations		—				
Grants and Contracts						
Federal		—				
State		—				
Other		—				
Gifts		—	(389,768)			
Investment Income	5,314,332	304,035	52,194	2,523,019	117,849	566,478
Interest Expense		(6,373,418)		(2,405,138)	(5,144,156)	(12,553,448)
Other Nonoperating Revenues (Expenses)		—				
Net Nonoperating Revenues	5,314,332	(6,069,383)	(337,574)	117,881	(5,026,307)	(11,986,970)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	3,877,638	1,313,001	(152,185)	3,333,389	711,457	1,684,717
Capital Grants and Gifts						
Federal		—				
State		—				
Other		—				
Additions to Permanent and Term Endowments	960,538	—		329,753		104,678
Special Item		(1,217,245)				
Extraordinary Item		—				
Total Other Revenues, Expenses, Gains or Losses	960,538	(1,217,245)	—	329,753	—	104,678
Change in Net Position	4,838,176	95,756	(152,185)	3,663,142	711,457	1,789,395
Net Position, Beginning of Year	55,702,839	8,645,306	1,684,859	41,089,233	2,810,692	(334,207)
Net Position-End of Year	\$ 60,541,015	\$ 8,741,062	\$ 1,532,674	\$ 44,752,375	\$ 3,522,149	\$ 1,455,188

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY AFFILIATED ORGANIZATION (Unaudited)
FOR FISCAL YEAR ENDED JUNE 30, 2017

	VSU Auxiliary Services Real Estate Foundation	Valdosta State University Foundation, Inc.	Walter & Emilie Spivey Foundation	Total
OPERATING REVENUES				
Student Tuition and Fees (net)				—
Grants and Contracts				—
Federal				—
State				—
Other				—
Sales and Services		\$ 404,630		\$ 404,630
Rents and Royalties	\$ 7,631,810	518,866		8,150,676
Auxiliary Enterprises		—	—	—
Food Services				—
Health Services				—
Intercollegiate Athletics				—
Gifts and Contributions	3,860,094	1,338,217		5,198,311
Endowment Income		878,323		878,323
Other Operating Revenues	954,491	123,911		1,078,402
Total Operating Revenues	12,446,395	3,263,947	—	15,710,342
OPERATING EXPENSES				
Salaries	93,932	—	—	93,932
Employee Benefits				—
Other Personal Services		30,200		30,200
Travel		179,182		179,182
Scholarships and Fellowships		977,722		977,722
Utilities				—
Supplies and Other Services	621,492	2,482,224	\$ 366,392	3,470,108
Depreciation		216,891		216,891
Total Operating Expenses	715,424	3,886,219	366,392	4,968,035
Operating Income (Loss)	11,730,971	(622,272)	(366,392)	10,742,307
NONOPERATING REVENUES (EXPENSES)				
State Appropriations				—
Grants and Contracts				—
Federal				—
State				—
Other				—
Gifts				—
Investment Income	38,170	1,097,537	539,479	1,675,186
Interest Expense	(7,575,758)	(139,986)		(7,715,744)
Other Nonoperating Revenues (Expenses)	(8,318,529)			(8,318,529)
Net Nonoperating Revenues	(15,856,117)	957,551	539,479	(14,359,087)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(4,125,146)	335,279	173,087	(3,616,780)
Capital Grants and Gifts				
Federal				—
State				—
Other				—
Additions to Permanent and Term Endowments		1,290,372		1,290,372
Special Item				—
Extraordinary Item				—
Total Other Revenues, Expenses, Gains or Losses	—	1,290,372	—	1,290,372
Change in Net Position	(4,125,146)	1,625,651	173,087	(2,326,408)
Net Position, Beginning of Year	10,623,809	41,646,716	6,351,394	58,621,919
Net Position-End of Year	\$ 6,498,663	\$ 43,272,367	\$ 6,524,481	\$ 56,295,511

**UNIVERSITY SYSTEM OF GEORGIA
BALANCE SHEET (NON-GAAP BASIS)
BUDGET FUNDS
JUNE 30, 2017
(Unaudited)**

ASSETS

Cash and Cash Equivalents	\$	757,641,746.92
Investments		98,138,206.00
Accounts Receivable		
Federal Financial Assistance		130,115,836.10
Other		274,833,086.70
Prepaid Expenditures		16,516,452.68
Inventories		5,416,754.79
Other Assets		2,040,560.28
		<hr/>
Total Assets	\$	<u><u>1,284,702,643.47</u></u>

LIABILITIES AND FUND EQUITY

Liabilities

Accounts Payable	\$	107,939,117.40
Encumbrances Payable		386,329,661.85
Salaries Payable		20,606,602.50
Payroll Withholdings		32,401.34
Deferred Revenue		252,178,240.49
Other Liabilities		3,042,195.61
Total Liabilities		770,128,219.19

Fund Balances

Reserved		
Capital Outlay		14,813,622.02
Department Sales and Services		121,903,398.81
Indirect Cost Recoveries		145,276,798.74
Technology Fees		20,145,786.81
Restricted/Sponsored Funds		135,441,286.10
Uncollectible Accounts Receivable		23,742,316.02
Inventories		3,351,370.34
Tuition Carry - Forward		43,519,848.54
Carry-Over "Per Governor's Office of Planning and Budget"		3,700,782.22
Unreserved		
Surplus		2,679,214.68
		<hr/>
Total Fund Balances		<u><u>514,574,424.28</u></u>
Total Liabilities and Fund Balances	\$	<u><u>1,284,702,643.47</u></u>

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE (Unaudited)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Regents, University System of Georgia	Original Appropriation	Amended Appropriation	Final Budget	Funds Available Compared to Budget	
				Current Year Revenues	Prior Year Reserve Carry-Over
Agricultural Experiment Station					
State Appropriation					
State General Funds	\$ 38,763,187.00	\$ 39,549,773.00	\$ 39,549,773.00	\$ 39,549,773.00	\$ —
Other Funds	37,552,919.00	37,552,919.00	61,734,075.00	54,749,079.72	19,624,833.82
Total Agricultural Experiment Station	76,316,106.00	77,102,692.00	101,283,848.00	94,298,852.72	19,624,833.82
Athens and Tifton Vet Laboratories					
Other Funds	5,785,273.00	6,511,331.00	7,194,639.00	6,647,637.32	704,433.43
Cooperative Extension Service					
State Appropriation					
State General Funds	34,830,899.00	35,533,763.00	35,533,763.00	35,533,763.00	—
Other Funds	31,333,929.00	31,333,929.00	41,407,508.00	35,738,803.72	5,778,606.64
Total Cooperative Extension Service	66,164,828.00	66,867,692.00	76,941,271.00	71,272,566.72	5,778,606.64
Enterprise Innovation Institute					
State Appropriation					
State General Funds	19,342,678.00	19,342,678.00	19,342,678.00	19,342,678.00	—
Other Funds	10,900,000.00	10,900,000.00	11,950,000.00	11,005,168.21	59,264.31
Total Enterprise Innovation Institute	30,242,678.00	30,242,678.00	31,292,678.00	30,347,846.21	59,264.31
Forestry Cooperative Extension					
State Appropriation					
State General Funds	853,902.00	873,637.00	873,637.00	873,637.00	—
Other Funds	575,988.00	575,988.00	695,899.00	592,113.83	228,387.57
Total Forestry Cooperative Extension	1,429,890.00	1,449,625.00	1,569,536.00	1,465,750.83	228,387.57
Forestry Research					
State Appropriation					
State General Funds	2,725,563.00	2,872,377.00	2,872,377.00	2,872,377.00	—
Other Funds	10,250,426.00	10,325,426.00	11,827,069.00	10,018,181.64	2,967,036.16
Total Forestry Research	12,975,989.00	13,197,803.00	14,699,446.00	12,890,558.64	2,967,036.16
Georgia Archives					
State Appropriation					
State General Funds	4,678,137.00	6,178,137.00	6,178,137.00	6,178,137.00	—
Other Funds	882,473.00	894,417.00	1,075,958.00	962,048.30	1,162,556.19
Total Georgia Archives	5,560,610.00	7,072,554.00	7,254,095.00	7,140,185.30	1,162,556.19
Georgia Radiation Therapy Center					
Other Funds	\$ 4,466,022.00	\$ 4,236,754.00	\$ 4,236,754.00	\$ —	\$ —

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE (Unaudited)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Current Year Actual	Variance Positive (Negative)	
<u>Regents, University System of Georgia</u>						
Agricultural Experiment Station						
State Appropriation						
State General Funds	\$ —	\$ 39,549,773.00	\$ —	\$ 39,549,773.00	\$ —	\$ —
Other Funds	—	74,373,913.54	12,639,838.54	51,681,427.30	10,052,647.70	22,692,486.24
Total Agricultural Experiment Station	—	113,923,686.54	12,639,838.54	91,231,200.30	10,052,647.70	22,692,486.24
Athens and Tifton Veterinary Laboratories						
Other Funds	—	7,352,070.75	157,431.75	6,562,216.82	632,422.18	789,853.93
Cooperative Extension Service						
State Appropriation						
State General Funds	—	35,533,763.00	—	35,533,763.00	—	—
Other Funds	—	41,517,410.36	109,902.36	35,400,016.00	6,007,492.00	6,117,394.36
Total Cooperative Extension Service	—	77,051,173.36	109,902.36	70,933,779.00	6,007,492.00	6,117,394.36
Enterprise Innovation Institute						
State Appropriation						
State General Funds	—	19,342,678.00	—	19,342,678.00	—	—
Other Funds	—	11,064,432.52	(885,567.48)	10,990,206.16	959,793.84	74,226.36
Total Enterprise Innovation Institute	—	30,407,110.52	(885,567.48)	30,332,884.16	959,793.84	74,226.36
Forestry Cooperative Extension						
State Appropriation						
State General Funds	—	873,637.00	—	873,637.00	—	—
Other Funds	—	820,501.40	124,602.40	585,065.81	110,833.19	235,435.59
Total Forestry Cooperative Extension	—	1,694,138.40	124,602.40	1,458,702.81	110,833.19	235,435.59
Forestry Research						
State Appropriation						
State General Funds	—	2,872,377.00	—	2,872,377.00	—	—
Other Funds	—	12,985,217.80	1,158,148.80	10,551,547.71	1,275,521.29	2,433,670.09
Total Forestry Research	—	15,857,594.80	1,158,148.80	13,423,924.71	1,275,521.29	2,433,670.09
Georgia Archives						
State Appropriation						
State General Funds	—	6,178,137.00	—	6,178,125.85	11.15	11.15
Other Funds	(300.00)	2,124,304.49	1,048,346.49	938,312.60	137,645.40	1,185,991.89
Total Georgia Archives	(300.00)	8,302,441.49	1,048,346.49	7,116,438.45	137,656.55	1,186,003.04
Georgia Radiation Therapy Center						
Other Funds	\$ —	\$ —	\$ (4,236,754.00)	\$ —	\$ 4,236,754.00	\$ —

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE (Unaudited)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Regents, University System of Georgia	Original Appropriation	Amended Appropriation	Final Budget	Funds Available Compared to Budget	
				Current Year Revenues	Prior Year Reserve Carry-Over
Georgia Research Alliance					
State General Funds	\$ 5,097,451.00	\$ 5,097,451.00	\$ 5,097,451.00	\$ 5,097,451.00	\$ —
Georgia Tech Research Institute					
State Appropriation					
State General Funds	5,810,979.00	5,810,979.00	5,810,979.00	5,810,979.00	—
Other Funds	361,751,431.00	406,225,535.00	401,540,070.00	375,257,867.57	2,246,485.06
Total Georgia Tech Research Institute	367,562,410.00	412,036,514.00	407,351,049.00	381,068,846.57	2,246,485.06
Marine Institute					
State Appropriation					
State General Funds	942,055.00	966,557.00	966,557.00	966,557.00	—
Other Funds	486,281.00	486,281.00	836,366.00	803,167.82	474,717.41
Total Marine Institute	1,428,336.00	1,452,838.00	1,802,923.00	1,769,724.82	474,717.41
Marine Resources Extension Center					
State Appropriation					
State General Funds	1,267,822.00	1,325,037.00	1,325,037.00	1,325,037.00	—
Other Funds	1,345,529.00	1,345,529.00	1,630,529.00	1,336,464.20	176,361.03
Total Marine Resources Extension Center	2,613,351.00	2,670,566.00	2,955,566.00	2,661,501.20	176,361.03
Medical College of Georgia Hospital and Clinics					
State Appropriation					
State General Funds	29,838,518.00	29,838,518.00	29,838,518.00	29,838,518.00	—
Public Libraries					
State Appropriation					
State General Funds	36,208,155.00	36,208,155.00	36,208,155.00	36,208,155.00	—
Other Funds	5,222,400.00	4,638,252.00	5,475,571.00	5,134,096.12	—
Total Public Libraries	41,430,555.00	40,846,407.00	41,683,726.00	41,342,251.12	—
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	23,059,638.00	26,424,495.00	26,424,495.00	26,424,495.00	—
State Funds - Prior Year Carry-Over					
State General Funds - Prior Year	—	—	7,322,608.00	—	7,322,608.45
Other Funds	—	—	—	—	—
Total Public Service / Special Funding Initiatives	23,059,638.00	26,424,495.00	33,747,103.00	26,424,495.00	7,322,608.45
Regents Central Office					
State Appropriation					
State General Funds	12,063,606.00	12,063,606.00	12,063,606.00	12,063,606.00	—
Other Funds	—	—	330,191.00	282,631.52	4,295,638.65
Total Regents Central Office	\$ 12,063,606.00	\$ 12,063,606.00	\$ 12,393,797.00	\$ 12,346,237.52	\$ 4,295,638.65

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE (Unaudited)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Current Year Actual	Variance Positive (Negative)	
<u>Regents, University System of Georgia</u>						
Georgia Research Alliance						
State General Funds	\$ —	\$ 5,097,451.00	\$ —	\$ 5,097,451.00	\$ —	\$ —
Georgia Tech Research Institute						
State Appropriation						
State General Funds	—	5,810,979.00	—	5,810,979.00	—	—
Other Funds	—	377,504,352.63	(24,035,717.37)	374,606,501.75	26,933,568.25	2,897,850.88
Total Georgia Tech Research Institute	—	383,315,331.63	(24,035,717.37)	380,417,480.75	26,933,568.25	2,897,850.88
Marine Institute						
State Appropriation						
State General Funds	—	966,557.00	—	966,557.00	—	—
Other Funds	—	1,277,885.23	441,519.23	768,309.86	68,056.14	509,575.37
Total Marine Institute	—	2,244,442.23	441,519.23	1,734,866.86	68,056.14	509,575.37
Marine Resources Extension Center						
State Appropriation						
State General Funds	—	1,325,037.00	—	1,325,037.00	—	—
Other Funds	—	1,512,825.23	(117,703.77)	1,322,264.39	308,264.61	190,560.84
Total Marine Resources Extension Center	—	2,837,862.23	(117,703.77)	2,647,301.39	308,264.61	190,560.84
Medical College of Georgia Hospital and Clinics						
State Appropriation						
State General Funds	—	29,838,518.00	—	29,838,518.00	—	—
Public Libraries						
State Appropriation						
State General Funds	—	36,208,155.00	—	36,206,581.01	1,573.99	1,573.99
Other Funds	—	5,134,096.12	(341,474.88)	5,134,096.12	341,474.88	—
Total Public Libraries	—	41,342,251.12	(341,474.88)	41,340,677.13	343,048.87	1,573.99
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	—	26,424,495.00	—	25,424,439.26	1,000,055.74	1,000,055.74
State Funds - Prior Year Carry-Over						
State General Funds - Prior Year		7,322,608.45	0.45	4,621,826.23	2,700,781.77	2,700,782.22
Other Funds						
Total Public Service / Special Funding Initiatives	—	33,747,103.45	0.45	30,046,265.49	3,700,837.51	3,700,837.96
Regents Central Office						
State Appropriation						
State General Funds	—	12,063,606.00	—	12,063,606.00	—	—
Other Funds		4,578,270.17	4,248,079.17	328,561.65	1,629.35	4,249,708.52
Total Regents Central Office	\$ —	\$ 16,641,876.17	\$ 4,248,079.17	\$ 12,392,167.65	\$ 1,629.35	\$ 4,249,708.52

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE (Unaudited)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Regents, University System of Georgia	Original Appropriation	Amended Appropriation	Final Budget	Funds Available Compared to Budget	
				Current Year Revenues	Prior Year Reserve Carry-Over
Skidaway Institute of Oceanography					
State Appropriation					
State General Funds	\$ 1,297,577.00	\$ 1,334,196.00	\$ 1,334,196.00	\$ 1,334,196.00	\$ —
Other Funds	3,800,620.00	3,800,620.00	5,758,975.00	5,261,773.51	744,876.02
Total Skidaway Institute of Oceanography	5,098,197.00	5,134,816.00	7,093,171.00	6,595,969.51	744,876.02
Teaching					
State Appropriation					
State General Funds	1,905,455,350.00	1,903,568,206.00	1,903,568,206.00	1,903,568,206.00	—
Other Funds	4,598,893,472.00	4,689,257,707.00	5,389,087,596.00	4,767,161,945.43	381,684,840.23
Total Teaching	6,504,348,822.00	6,592,825,913.00	7,292,655,802.00	6,670,730,151.43	381,684,840.23
Veterinary Medicine Experiment Station					
State Appropriation					
State General Funds	2,707,032.00	3,081,059.00	3,081,059.00	3,081,059.00	—
Veterinary Medicine Teaching Hospital					
State Appropriation					
State General Funds	427,418.00	445,000.00	445,000.00	445,000.00	—
Other Funds	14,500,000.00	17,000,000.00	19,482,262.00	17,225,368.17	1,670,852.87
Total Veterinary Medicine Teaching Hospital	14,927,418.00	17,445,000.00	19,927,262.00	17,670,368.17	1,670,852.87
Agencies Attached for Administrative Purposes					
Payments to Georgia Military College					
State Appropriation					
State General Funds	5,178,401.00	7,298,849.00	7,298,849.00	7,298,849.00	—
Payments to Public Telecommunications Commission					
State Appropriation					
State General Funds	15,153,706.00	15,154,949.00	15,154,949.00	15,154,949.00	—
Total Operating Activity	\$ 7,233,448,837.00	\$ 7,378,052,110.00	\$ 8,124,553,492.00	\$ 7,445,143,769.08	\$ 429,141,497.84

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF FUNDS AVAILABLE AND EXPENDITURES COMPARED TO BUDGET
BY PROGRAM AND FUNDING SOURCE (Unaudited)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Funds Available Compared to Budget			Expenditures Compared to Budget		Excess (Deficiency) of Funds Available Over/(Under) Expenditures
	Program Transfers or Adjustments	Total Funds Available	Variance Positive (Negative)	Current Year Actual	Variance Positive (Negative)	
<u>Regents, University System of Georgia</u>						
Skidaway Institute of Oceanography						
State Appropriation						
State General Funds	\$ —	\$ 1,334,196.00	\$ —	\$ 1,334,196.00	\$ —	\$ —
Other Funds	—	6,006,649.53	247,674.53	5,209,188.18	549,786.82	797,461.35
Total Skidaway Institute of Oceanography	—	7,340,845.53	247,674.53	6,543,384.18	549,786.82	797,461.35
Teaching						
State Appropriation						
State General Funds	—	1,903,568,206.00	—	1,903,373,950.49	194,255.51	194,255.51
Other Funds	15,431,303.52	5,164,278,089.18	(224,809,506.82)	4,724,738,712.89	664,348,883.11	439,539,376.29
Total Teaching	15,431,303.52	7,067,846,295.18	(224,809,506.82)	6,628,112,663.38	664,543,138.62	439,733,631.80
Veterinary Medicine Experiment Station						
State Appropriation						
State General Funds	—	3,081,059.00	—	3,081,059.00	—	—
Veterinary Medicine Teaching Hospital						
State Appropriation						
State General Funds	—	445,000.00	—	445,000.00	—	—
Other Funds	—	18,896,221.04	(586,040.96)	16,620,761.10	2,861,500.90	2,275,459.94
Total Veterinary Medicine Teaching Hospital	—	19,341,221.04	(586,040.96)	17,065,761.10	2,861,500.90	2,275,459.94
Agencies Attached for Administrative Purposes						
Payments to Georgia Military College						
State Appropriation						
State General Funds	—	7,298,849.00	—	7,298,849.00	—	—
Payments to Public Telecommunications Commission						
State Appropriation						
State General Funds	—	15,154,949.00	—	15,154,949.00	—	—
Total Operating Activity	\$ 15,431,003.52	\$ 7,889,716,270.44	\$ (234,837,221.56)	\$ 7,401,830,540.18	\$ 722,722,951.82	\$ 487,885,730.26

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE (Unaudited)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2016 Surplus	Prior Year Adjustments	Other Adjustments
<u>Regents, University System of Georgia</u>					
Agricultural Experiment Station					
State Appropriation					
State General Funds	\$ 45,681.44	\$ —	\$ (45,681.44)	\$ 32,382.13	\$ —
Other Funds	19,624,833.82	(19,624,833.82)	—	29,836.77	—
Total Agricultural Experiment Station	19,670,515.26	(19,624,833.82)	(45,681.44)	62,218.90	—
Athens and Tifton Vet Laboratories					
Other Funds	704,433.43	(704,433.43)	—	4,360.33	—
Cooperative Extension Service					
State Appropriation					
State General Funds	15,050.01	—	(15,050.01)	21,442.08	—
Other Funds	5,778,606.64	(5,778,606.64)	—	48,585.82	—
Total Cooperative Extension Service	5,793,656.65	(5,778,606.64)	(15,050.01)	70,027.90	—
Enterprise Innovation Institute					
State Appropriation					
State General Funds	—	—	—	—	—
Other Funds	59,264.31	(59,264.31)	—	—	—
Total Enterprise Innovation Institute	59,264.31	(59,264.31)	—	—	—
Forestry Cooperative Extension					
State Appropriation					
State General Funds	1,406.36	—	(1,406.36)	516.24	—
Other Funds	228,387.57	(228,387.57)	—	49.99	—
Total Forestry Cooperative Extension	229,793.93	(228,387.57)	(1,406.36)	566.23	—
Forestry Research					
State Appropriation					
State General Funds	1,109.57	—	(1,109.57)	2,488.79	—
Other Funds	2,967,036.16	(2,967,036.16)	—	10,649.22	—
Total Forestry Research	2,968,145.73	(2,967,036.16)	(1,109.57)	13,138.01	—
Georgia Archives					
State Appropriation					
State General Funds	89.80	—	(89.80)	—	—
Other Funds	1,162,556.19	(1,162,556.19)	—	—	(23,384.40)
Total Georgia Archives	1,162,645.99	(1,162,556.19)	(89.80)	—	(23,384.40)
Georgia Radiation Therapy Center					
Other Funds	\$ —	\$ —	\$ —	\$ —	\$ —

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UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE (Unaudited)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Regents, University System of Georgia	Early Return of Fiscal Year 2017 Surplus	Excess (Deficiency) of Funds Available Over/Under Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Agricultural Experiment Station						
State Appropriation						
State General Funds	\$ —	\$ —	\$ 32,382.13	\$ —	\$ 32,382.13	\$ 32,382.13
Other Funds	—	22,692,486.24	22,722,323.01	22,722,323.01	—	22,722,323.01
Total Agricultural Experiment Station	—	22,692,486.24	22,754,705.14	22,722,323.01	32,382.13	22,754,705.14
Athens and Tifton Vet Laboratories						
Other Funds	—	789,853.93	794,214.26	794,214.26	—	794,214.26
Cooperative Extension Service						
State Appropriation						
State General Funds	—	—	21,442.08	—	21,442.08	21,442.08
Other Funds	—	6,117,394.36	6,165,980.18	6,165,980.18	—	6,165,980.18
Total Cooperative Extension Service	—	6,117,394.36	6,187,422.26	6,165,980.18	21,442.08	6,187,422.26
Enterprise Innovation Institute						
State Appropriation						
State General Funds	—	—	—	—	—	—
Other Funds	—	74,226.36	74,226.36	74,226.36	—	74,226.36
Total Enterprise Innovation Institute	—	74,226.36	74,226.36	74,226.36	—	74,226.36
Forestry Cooperative Extension						
State Appropriation						
State General Funds	—	—	516.24	—	516.24	516.24
Other Funds	—	235,435.59	235,485.58	235,485.58	—	235,485.58
Total Forestry Cooperative Extension	—	235,435.59	236,001.82	235,485.58	516.24	236,001.82
Forestry Research						
State Appropriation						
State General Funds	—	—	2,488.79	—	2,488.79	2,488.79
Other Funds	—	2,433,670.09	2,444,319.31	2,444,319.31	—	2,444,319.31
Total Forestry Research	—	2,433,670.09	2,446,808.10	2,444,319.31	2,488.79	2,446,808.10
Georgia Archives						
State Appropriation						
State General Funds	—	11.15	11.15	—	11.15	11.15
Other Funds	—	1,185,991.89	1,162,607.49	1,161,082.52	1,524.97	1,162,607.49
Total Georgia Archives	—	1,186,003.04	1,162,618.64	1,161,082.52	1,536.12	1,162,618.64
Georgia Radiation Therapy Center						
Other Funds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

**UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE (Unaudited)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2016 Surplus	Prior Year Adjustments	Other Adjustments
<u>Regents, University System of Georgia</u>					
Georgia Research Alliance					
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —
Georgia Tech Research Institute					
State Appropriation					
State General Funds	78.54	—	(78.54)	108.51	—
Other Funds	2,246,485.06	(2,246,485.06)	—	—	—
Total Georgia Tech Research Institute	2,246,563.60	(2,246,485.06)	(78.54)	108.51	—
Marine Institute					
State Appropriation					
State General Funds	0.01	—	(0.01)	1,086.19	—
Other Funds	474,717.41	(474,717.41)	—	—	—
Total Marine Institute	474,717.42	(474,717.41)	(0.01)	1,086.19	—
Marine Resources Extension Center					
State Appropriation					
State General Funds	717.02	—	(717.02)	554.45	—
Other Funds	176,361.03	(176,361.03)	—	716.56	—
Total Marine Resources Extension Center	177,078.05	(176,361.03)	(717.02)	1,271.01	—
Medical College of Georgia Hospital and Clinics					
State Appropriation					
State General Funds	—	—	—	—	—
Public Libraries					
State Appropriation					
State General Funds	26,667.14	—	(26,667.14)	2,223.59	—
Other Funds	—	—	—	—	—
Total Public Libraries	26,667.14	—	(26,667.14)	2,223.59	—
Public Service / Special Funding Initiatives					
State Appropriation					
State General Funds	429,700.37	—	(429,700.37)	—	—
State Funds - Prior Year Carry-over					
State General Funds - Prior Year	7,322,608.45	(7,322,608.45)	—	68,987.96	—
Other Funds	24.23	—	(24.23)	—	—
Total Public Service / Special Funding Initiatives	7,752,333.05	(7,322,608.45)	(429,724.60)	68,987.96	—
Regents Central Office					
State Appropriation					
State General Funds	24,376.33	—	(24,376.33)	34,609.23	—
Other Funds	4,295,638.65	(4,295,638.65)	—	—	—
Total Regents Central Office	\$ 4,320,014.98	\$ (4,295,638.65)	\$ (24,376.33)	\$ 34,609.23	\$ —

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UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE (Unaudited)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Regents, University System of Georgia	Early Return of Fiscal Year 2017 Surplus	Excess (Deficiency) of Funds Available Over/Under Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Georgia Research Alliance						
State General Funds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Georgia Tech Research Institute						
State Appropriation						
State General Funds	—	—	108.51	—	108.51	108.51
Other Funds	—	2,897,850.88	2,897,850.88	2,897,850.88	—	2,897,850.88
Total Georgia Tech Research Institute	—	2,897,850.88	2,897,959.39	2,897,850.88	108.51	2,897,959.39
Marine Institute						
State Appropriation						
State General Funds	—	—	1,086.19	—	1,086.19	1,086.19
Other Funds	—	509,575.37	509,575.37	509,575.37	—	509,575.37
Total Marine Institute	—	509,575.37	510,661.56	509,575.37	1,086.19	510,661.56
Marine Resources Extension Center						
State Appropriation						
State General Funds	—	—	554.45	—	554.45	554.45
Other Funds	—	190,560.84	191,277.40	191,277.40	—	191,277.40
Total Marine Resources Extension Center	—	190,560.84	191,831.85	191,277.40	554.45	191,831.85
Medical College of Georgia Hospital and Clinics						
State Appropriation						
State General Funds	—	—	—	—	—	—
Public Libraries						
State Appropriation						
State General Funds	—	1,573.99	3,797.58	—	3,797.58	3,797.58
Other Funds	—	—	—	—	—	—
Total Public Libraries	—	1,573.99	3,797.58	—	3,797.58	3,797.58
Public Service / Special Funding Initiatives						
State Appropriation						
State General Funds	—	1,000,055.74	1,000,055.74	1,000,000.00	55.74	1,000,055.74
State Funds - Prior-Year Carry-over						
State General Funds - Prior Year	—	2,700,782.22	2,769,770.18	2,700,782.22	68,987.96	2,769,770.18
Other Funds	—	—	—	—	—	—
Total Public Service / Special Funding Initiatives	—	3,700,837.96	3,769,825.92	3,700,782.22	69,043.70	3,769,825.92
Regents Central Office						
State Appropriation						
State General Funds	—	—	34,609.23	—	34,609.23	34,609.23
Other Funds	—	4,249,708.52	4,249,708.52	4,249,708.52	—	4,249,708.52
Total Regents Central Office	\$ —	\$ 4,249,708.52	\$ 4,284,317.75	\$ 4,249,708.52	\$ 34,609.23	\$ 4,284,317.75

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE (Unaudited)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Beginning Fund Balance/(Deficit) July 1	Fund Balance Carried Over from Prior Year as Funds Available	Return of Fiscal Year 2016 Surplus	Prior Year Adjustments	Other Adjustments
<u>Regents, University System of Georgia</u>					
Skidaway Institute of Oceanography					
State Appropriation					
State General Funds	\$ 2,029.38	\$ —	\$ (2,029.38)	\$ 6,732.93	\$ —
Other Funds	744,876.02	(744,876.02)	—	3,047.34	—
Total Skidaway Institute of Oceanography	746,905.40	(744,876.02)	(2,029.38)	9,780.27	—
Teaching					
State Appropriation					
State General Funds	1,293,651.42	—	(1,293,651.42)	948,517.58	74,091.39
Other Funds	382,832,525.69	(381,684,840.23)	(1,147,685.46)	(772,481.10)	(971,398.34)
Total Teaching	384,126,177.11	(381,684,840.23)	(2,441,336.88)	176,036.48	(897,306.95)
Veterinary Medicine Experiment Station					
State Appropriation					
State General Funds	1,047.30	—	(1,047.30)	893.15	—
Veterinary Medicine Teaching Hospital					
State Appropriation					
State General Funds	—	—	—	—	—
Other Funds	1,670,852.87	(1,670,852.87)	—	70,391.25	—
Total Veterinary Medicine Teaching Hospital	1,670,852.87	(1,670,852.87)	—	70,391.25	—
<u>Agencies Attached for Administrative Purposes</u>					
Payments to Georgia Military College					
State Appropriation					
State General Funds	—	—	—	—	—
Payments to Public Telecommunications Commission					
State Appropriation					
State General Funds	—	—	—	—	—
Total Operating Activity	432,130,812.22	(429,141,497.84)	(2,989,314.38)	515,699.01	(920,691.35)
Prior Year Reserves					
Not Available for Expenditure					
Inventories	3,015,211.26	—	—	—	336,159.08
Uncollectible Accounts Receivable	23,157,783.75	—	—	—	584,532.27
Budget Unit Totals	\$ 458,303,807.23	\$ (429,141,497.84)	\$ (2,989,314.38)	\$ 515,699.01	\$ —

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UNIVERSITY SYSTEM OF GEORGIA
STATEMENT OF CHANGES TO FUND BALANCE
BY PROGRAM AND FUNDING SOURCE (Unaudited)
BUDGET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Early Return of Fiscal Year 2017 Surplus	Excess (Deficiency) of Funds Available Over/Under Expenditures	Ending Fund Balance/(Deficit) June 30	Analysis of Ending Fund Balance		
				Reserved	Surplus/(Deficit)	Total
Regents, University System of Georgia						
Skidaway Institute of Oceanography						
State Appropriation						
State General Funds	\$ —	\$ —	\$ 6,732.93	\$ —	\$ 6,732.93	\$ 6,732.93
Other Funds	—	797,461.35	800,508.69	800,508.69	—	800,508.69
Total Skidaway Institute of Oceanography	—	797,461.35	807,241.62	800,508.69	6,732.93	807,241.62
Teaching						
State Appropriation						
State General Funds	—	194,255.51	1,216,864.48	—	1,216,864.48	1,216,864.48
Other Funds	—	439,539,376.29	437,795,496.85	436,508,337.75	1,287,159.10	437,795,496.85
Total Teaching	—	439,733,631.80	439,012,361.33	436,508,337.75	2,504,023.58	439,012,361.33
Veterinary Medicine Experiment Station						
State Appropriation						
State General Funds	—	—	893.15	—	893.15	893.15
Veterinary Medicine Teaching Hospital						
State Appropriation						
State General Funds	—	—	—	—	—	—
Other Funds	—	2,275,459.94	2,345,851.19	2,345,851.19	—	2,345,851.19
Total Veterinary Medicine Teaching Hospital	—	2,275,459.94	2,345,851.19	2,345,851.19	—	2,345,851.19
Agencies Attached for Administrative Purposes						
Payments to Georgia Military College						
State Appropriation						
State General Funds	—	—	—	—	—	—
Payments to Public Telecommunications Commission						
State Appropriation						
State General Funds	—	—	—	—	—	—
Total Operating Activity	—	487,885,730.26	487,480,737.92	484,801,523.24	2,679,214.68	487,480,737.92
Prior Year Reserve						
Not Available for Expenditure						
Inventories	—	—	3,351,370.34	3,351,370.34	—	3,351,370.34
Uncollectible Accounts Receivable	—	—	23,742,316.02	23,742,316.02	—	23,742,316.02
Budget Unit Totals	\$ —	\$ 487,885,730.26	\$ 514,574,424.28	\$ 511,895,209.60	\$ 2,679,214.68	\$ 514,574,424.28
Summary of Ending Fund Balance						
Reserved						
Inventories				\$ 3,351,370.34		\$ 3,351,370.34
Other Reserves						
Colleges & Universities				508,543,839.26		508,543,839.26
Unreserved, Undesignated						
Surplus					\$ 2,679,214.68	2,679,214.68
				\$ 511,895,209.60	\$ 2,679,214.68	\$ 514,574,424.28

Actual amounts were prepared on a prescribed basis of accounting that demonstrates compliance with budgetary statutes and regulations of the State of Georgia, which is a special purpose framework.

Acknowledgments

Published by University System of Georgia Strategy and Fiscal Affairs:

Shelley C. Nickel - Executive Vice Chancellor, For Strategy and Fiscal Affairs/Treasurer
Claire Arnold
Brad Freeman
Shree Hamm
Theresa L. Jackson
Ben M. Riden, Jr.

Special Appreciation to University System of Georgia Chief Business Officers:

Paul Willis, Abraham Baldwin Agricultural College
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